
Guidance and information

Prevention is better than cure

The fourth Competing Fairly Forum was broadcast via satellite to more than 110 towns across regional Australia on 21 May 2002. The theme was 'prevention is better than cure'.

The forum discussed ways to avoid problems in business. It looked at issues that may arise from business relationships, with particular emphasis on supply relationships involving primary producers, and retail leases. The panel discussion and scenarios provided practical guidelines on how to avoid disputes and resolve conflicts with other businesses and their customers.

Viewers were once again able to send in questions as well as phone in questions on the night. The program was again hosted by George Negus and featured a panel consisting of:

- Commission Chairman Professor Allan Fels
Commissioner Sitesh Bhojani
- Louise Castle, Australian Law Council
- David Newton, Managing Director of the Accord Group and the Office of the Mediation Adviser
- Ken Carlsund, Registrar, NSW Retail Tenancy Unit
- Bruce Reid, Australian Regional Consulting Group.

The key messages from the panel were:

- find out all the facts before entering into any business arrangement
- keep good records—a diary of conversations and meetings is helpful in a dispute
- set up a compliance program so everyone in the business knows the rules

- find out about any industry codes for your industry
- be familiar with alternative dispute resolution procedures.

The next Forum will be held on Tuesday 15 October 2002. For details visit the Forum website <<http://forums.accc.gov.au>>.

Don't get tricked ...

The Commission has put out the first in its series of 'Don't Get Tricked' posters providing information and assistance to indigenous communities.

Don't get tricked ... buying a car gives some practical advice when it comes to buying a car. The poster was produced by members of the Maningrida Community and their JET Centre in conjunction with the Commission publications team.

The messages in the poster came out of a workshop held in Maningrida by Ms Ann Czajor, National Director of the Commission's Rural and Regional Program and Ms Fiona MacRae, Commission Regional Outreach Officer. The workshop allowed participants involved in buying cars to explore ways to avoid problems.

The Maningrida Community developed the artwork based on what had been learnt at the workshop and also decided on the title 'Don't Get Tricked'.

Response to the poster has been highly positive by the Maningrida and other communities. It is seen to address car purchasing issues pertinent to Indigenous people. It uses artwork and language that are clear and can translate across English and traditional languages.

A guide to good disclosure of transaction banking fees

A guide promoting improved disclosure of transaction fees for retail payments and deposit products (transaction accounts) offered by banks, credit unions and building societies was released by the Australian Securities and Investments Commission (ASIC) on 26 June 2002.

ASIC's Deputy Chair, Ms Jillian Segal said:

Evidence suggests many consumers don't understand the fees that apply to their transaction accounts—we hope this guide will lead to continued improvements in fee disclosure so that consumers will have the knowledge they need to minimise the cost of their banking.

Improvements in transaction fee disclosure are important if consumers are to be able to conduct their banking to minimise costs, make choices between transaction products and providers on the basis of price, and if price competition is to be encouraged.

The guide sets out the following principles of good disclosure for the five times at which ASIC believes transaction fee disclosure is particularly important:

- when a consumer is selecting a product or product provider
- when changes are made to the level of fees or when, why or how they are charged
- when a statement is received
- when a consumer is actively seeking information (this time may coincide with one of the other four times)
- immediately before making a transaction.

International cold calling investment scams report

An ASIC report into international telemarketing scams that have cheated many thousands of Australians *International Cold Calling Investment Scams* was released on 19 June 2002.

In the period 1999–2001 more than 82 unlicensed overseas telemarketing firms systematically cheated Australian investors of an estimated \$400 million. More than 7300 people contacted ASIC directly, of whom 80 per cent lost money.

ASIC Chairman, Mr David Knott, said:

ASIC's report shows how international investment scams are becoming more sophisticated, both in conning consumers and exploiting the difficulties in cross-border law enforcement.

The report provides important lessons for dealing with future scams and proposes ways for regulators and consumers to combat those scams.

Cold calling operators, typically based in Asia, made false promises about investments, using fake 'props', such as expensive documentation and websites, to convince investors of their legitimacy. Investors received near worthless shares that could not be sold, or no shares at all.

The report, a list of cold calling organisations and examples of scams are available at ASIC's consumer website FIDO at <<http://www.fido.asic.gov.au>>.