
Guidance and information

New agreement targets energy labelling

The Commission and the Australian Greenhouse Office signed a cooperation agreement in March this year to protect the interests of consumers and ensure that Australia meets its commitment to reduce greenhouse emissions.

Procedures for addressing potentially misleading energy efficiency claims (star rating) on new white goods are targeted under the agreement.

Where the AGO identifies cases of misleading energy labelling, they will be referred to the Commission for possible enforcement action.

In taking out enforcement action, the Commission will consider whether there appears to be:

- apparent blatant disregard for the law;
- a history of previous contraventions of the law, including overseas contraventions;
- significant public detriment;
- the potential for action to have worthwhile or educative or deterrent effect; and
- a significant new market issue.

Health consumers seek better information

Major concerns for health funds, hospitals, medical practitioners and consumers were raised in a report released recently by the Commission.

Called Report to the Australian Senate on anti-competitive and other practices by health funds and providers in relation to private health insurance, it was tabled in Parliament in April 2000.

It found that the community seeks better information from hospitals, medical and other health practitioners and health funds about the products or services they provide.

The Senate asked the Commission to assess anti-competitive practices by health funds or providers that reduced the health cover for consumers and increased their expenses.

The medical gap is a major consumer concern and a key reason for public dissatisfaction with private health insurance.

Private hospitals can contract a health fund to provide accommodation services with no gap, or at least a known gap, to that fund's members.

Submissions from the hospital sector criticised the conduct of health funds in contracting hospital services.

The Commission is now monitoring the health fund-hospital contracting environment for any breach of trade practices.

Some doctors and their professional associations are firmly opposed to contracting with health funds, arguing such contracts would lead funds to interfere with doctors' clinical independence.

The report highlighted problems consumers have in making informed decisions about their health choices — for which they need information on quality and price of a range of practitioners.

Complaints from consumers to the Private Health Insurance Ombudsman and the Commission have expressed confusion about entitlements, pre-existing ailments, transferability of cover and changes to benefit entitlements.

The Commission found that health funds need to provide adequate information to their members about their product at the time of purchase and when introducing changes.

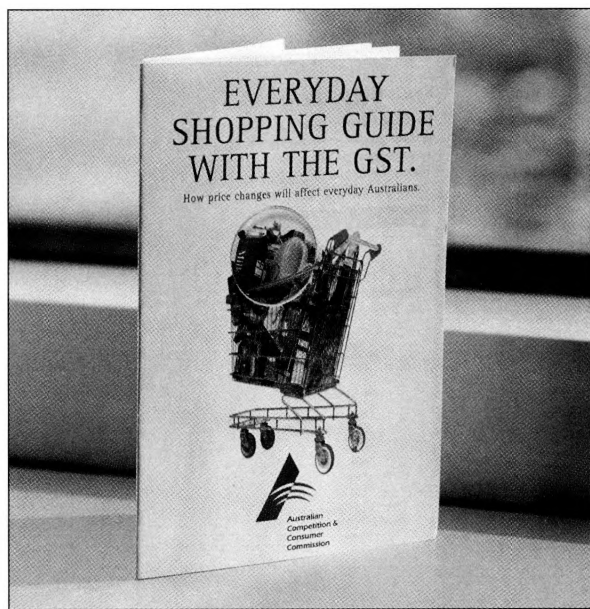
Failure to do so may, in some circumstances, constitute a breach of the Trade Practices Act.

Copies of the report can be obtained from the Commission or downloaded from its website at <http://www.accc.gov.au>

New GST publications

Several new GST publications aimed at small business and consumers have been launched over the past two months.

Australia's *Everyday Shopping Guide With the GST* and the *Ready Reckoner*, published in May 2000, provide consumers with a simple and straightforward way of assessing the GST they should be paying on a range of products.



Other publications explain for business and consumers how lay-by sales are affected by GST, as well as its impact on weddings, holidays and residential rents.

A checklist for small business sets out clearly how retailers should display prices.

Some other publications are available only on the website. These include the *GST Snapshot* series and *Re-Pricing and the New Tax System* published with the GST Start-Up Assistance Office.

For a full list of publications, see p. 62.

E-commerce — tips and warnings

E-commerce comes under the microscope of the latest *ACCC Update*, released in May 2000.

It offers advice for business and consumers and outlines recent Commission investigations.

In a case jointly tackled by the Commission and the US Federal Trade Commission, a global Internet scam was broken. It took unsuspecting users to pornographic sites and then prevented them from quitting.

In another case, again working with the FTC, an Australian company called Internic Technology was discovered attempting to pass itself off as the official authority which registers domain names, InterNIC.

Update explains the law as it applies to e-commerce, how to structure your website to successfully sell over the Net and the benefits and problems of external links, metatags and framing. It also covers listings in Internet directories, hosting and web design services and the pitfalls of emailing clients.

Update is also filled with tips and warnings for e-commerce consumers. Rights to refunds, Internet auctions and codes of conduct are all covered.

Cyberscams also come under the spotlight — what to watch out for and how to handle them.

Advice to small retailers

The Commission has been concerned that small retail stores are an example of a typical small business, yet many can't readily access basic information about the Trade Practices Act.

Many don't participate in service delivery networks provided by bodies such as industry associations.

The Commission is also aware that retailers have a continuing need for assistance on other TPA issues such as refunds, lay-bys and unconscionable conduct during the GST transition period.

The Commission's Small Business Unit, in a collaborative project with the Australian Retailers Association, has produced *Retail Flash* — a new newsletter written and designed to assist small retailers with fair trading issues.

Ninety per cent of the ARA's 10 500 members are small businesses. Because the ARA's membership accounts for 75 per cent of Australian retail turnover, the Commission saw the association as an ideal partner for its retail newsletter project.

Copies of *Retail Flash* were sent to over 750 local trader associations and shopping centres, along with other contacts such as Business Enterprise Centres, TAFEs and government service providers. The ARA enclosed *Retail Flash* in its June newsletters to reach the whole national membership. Total distribution numbered 20 000.