



**NEWS RELEASE**

**EMBARGOED – Not for publication before 0001AEST Monday, Feb 28**

**UNFAIR PHONE AND INTERNET CONTRACTS ON THE WAY OUT**

***- Australia gets world's first code to stop unfair telecommunications contracts***

**Sydney, 28 February 2005** – Australian consumers and small businesses soon won't have to suffer unfair or confusing contracts for phone or Internet services because of a new code issued by the Australian Communications Industry Forum (ACIF).

This is the first time in the world that a code has been developed to stop a specific industry from imposing unfair or unintelligible contracts on consumers and small businesses.

ACIF estimates the Consumer Contracts Code will apply to more than 20 million contracts because most individuals and small businesses have multiple phones (fixed and mobile) as well as Internet services.

The Code must now be registered by the Australian Communications Authority (ACA), which could then direct all telecommunications service providers to comply with its provisions or face penalties.

Because of the importance of the new Code to the community, ACIF has asked the ACA to expedite the registration process, which in the past has taken anywhere from a few days to six months or more. As the ACA has been closely involved in every step of the development of the Consumer Contracts Code, ACIF is hopeful that registration will occur quickly.

The ACA requested ACIF to develop the Consumer Contracts Code in response to complaints that the wording of many telecommunications contracts was too complex, legalistic or technical for the average person to understand.

The other major source of complaints was contracts that allowed service providers to vary terms and conditions after customers had signed up for a service but didn't offer them an opportunity to terminate the agreement.



## AUSTRALIAN COMMUNICATIONS INDUSTRY FORUM

In May 2004 ACIF formed a Working Committee with equal representation from industry and consumers to develop the code. A project of this scope and complexity would usually take ACIF up to two years to complete. However, because of the pressing community concern about the issue, the Working Committee developed a draft code within only five months, releasing it for public comment in October 2004.

ACIF received 25 responses from groups and individuals commenting on the draft. Over the past few months the Working Committee has reviewed the comments and made revisions to the draft code.

The final code was signed off by the members of the Working Committee last week and approved by the ACIF Board on Friday.

To complete the project in such a short time, ACIF employed a number of innovative approaches, including the appointment of an independent chairperson, staging of an industry forum to identify the issues, using external resources for drafting the code as well as professional mediation and facilitation services to help overcome roadblocks.

ACIF chief executive officer, Anne Hurley, commended the members of the Working Committee for the speedy and efficient way they had completed their task.

“This code is a great step forward for industry self-regulation because it demonstrates how service providers and end-users can work together to deliver effective consumer protection,” Ms Hurley said.

“From start to finish, this exercise has been a blueprint for collaboration and consultation involving all parts of the industry.

“The outcome shows that service providers and their customers have a mutual interest in ensuring contracts are fair and easily understood.”

Any consumer or small business contract for telecommunications services entered into after the date of registration of the Code must be made to comply within six months.

Existing contracts for fixed line phone services must also comply within that timeframe.



## AUSTRALIAN COMMUNICATIONS INDUSTRY FORUM

Where consumers have mobile phone or Internet services without a fixed contract period, the provider must offer a new contract that complies with the Code.

ACIF will now focus its energies on bringing together the service providers (including Internet service providers) to discuss the changes required to ensure their contracts comply with the new code.

ACIF has recently appointed a Compliance Manager to drive compliance across all of its codes but the Consumer Contracts Code will be a high priority.

A related ACIF code regulating Customer Information on Prices, Terms and Conditions, is currently awaiting ACA registration.

ACIF is holding industry briefings in Sydney (March 17) and Melbourne (March 24) to focus on compliance requirements of both codes.

### **About ACIF**

ACIF is a member-funded organisation established in 1997 to facilitate communications self-regulation in the interests of both industry and consumers.

ACIF provides a neutral forum in which all participants and end-users in the Australian communications industry can work together to foster an efficient, competitive environment through self-regulatory processes, technical codes and standards.

### **Media information contact:**

Jeff Bird

Bird & Hill Public Relations

Phone: 02-9954 0555 (office)

0410 323 623 (mobile)

Email: [jbird@birdhillpr.com](mailto:jbird@birdhillpr.com)