

## Mobile phones and debt

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As mobile phones become the "must have" consumer item of the late 1990s it seems that young people are learning harsh lessons about "buyer beware". Mobile phone purchase is often structured so that a low upfront payment is required, yet if you are not careful you can find that you have committed yourself to a lengthy contract with no easy way out.

A series of Australian Competition and Consumer Commission (ACCC) statements have cautioned the mobile phone industry about its sometimes misleading practices. In relation to a 1998 case where the terms of the contract were far from transparent, the ACCC's Professor Alan Fels warned: "The mobile phone industry continues to generate a disproportionate amount of work for the ACCC staff. If the industry doesn't have a long hard look at itself some companies are likely to find themselves in court". (ACCC media release, July 3, 1998).

The Communications Law Centre, in conjunction with Victoria University, is undertaking a largescale study of young people, their mobile phone use and debt related problems that might arise. The centre has already received notification of cases where minors are encouraged to get an adult to sign on their behalf, and then have trouble transferring the account into their own name once turning 18 years old. Others have received undertakings from sales staff as to signal coverage, then find it virtually impossible to break the contract upon realising how inadequate the coverage is in their area. With mobile phone agreements usually requiring the purchaser to sign up for a contract of between 12 and 24 months consumers can't afford to think "well I'll just see how it goes".

Some retailers in this competitive industry have used all sorts of sales pitches. One promotional strategy has been to offer "free" mobile phones as competition

prizes, then require "winners" to sign a contract for 15 to 18 months of minimum payments and service fees before any calls can be made.

To further understanding of these and related issues, the Communications Law Centre will interview 750 young people, aged between 16 and 21, and conduct focus groups in NSW and Victoria. This research is being funded by the Victorian Consumer Credit Trust and the Commonwealth Government through its telecommunications consumer research program.

If you have a story to tell about mobile phone use, please contact the centre before March 31, 1999 to ensure inclusion in the research report which will be published in July.

**Contact Kate MacNeill at the Communications Law Centre in Melbourne on telephone (03) 9248 1276, or email [kmacneill@comslaw.org.au](mailto:kmacneill@comslaw.org.au)** <<

## Australian Telecommunications Regulation guide

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The CLC is publishing a second edition of its popular *Australian Telecommunications Regulation, the Communications Law Centre Guide*.

Like the first edition, published soon after the 1997 *Telecommunications Act* came into effect, the second edition is being edited by Alasdair Grant, now Manager Regulatory Policy at AAPT.

Chapters are being contributed by several telecommunications lawyers with practical experience in the relevant subject areas. They will cover The Policy Context, International Issues, Industry Structure, Interconnection and

Access, Anti-Competitive Conduct, Spectrum Allocation and Consumer Issues.

The new chapter on International Issues will provide an overview of recent regulatory developments in key overseas territories, the impact of multilateral trade agreements of telecommunications regulation, technical co-ordination, accounting rate regulation and Internet domain name registration.

Written as an accessible guide to Australian telecommunications and radiocommunications law for lawyers and non-lawyers, the Guide will be readable and informative for those with varying

degrees of familiarity with the current regulatory regime.

*Australian Telecommunications Regulation, the Communications Law Centre Guide* is an essential tool for members of the communications industry, lawyers, academics, regulators, students and anyone who needs to make sense of the increasingly complex communications regulatory framework.

**The second edition is expected to be published in April. Copies will be available for \$49.95 from the Communications Law Centre - telephone (02) 9663 0551, fax (02) 9662 6839, or order on-line at [www.comslaw.org.au](http://www.comslaw.org.au)** <<