

Gilbert Jewel

From: Hughes, Judy (AGD) [Hughes.Judy@agd.sa.gov.au]
Sent: Monday, 1 September 2003 3:56 PM
To: 'adjudication@acc.gov.au'
Subject: A40077 - Australian Direct Marketing Association Ltd



Accc authorisation
response Se...

Please find attached the submission of the South Australian Office of Consumer and Business Affairs in relation to the application for revocation and substitution of authorisation A40077 by ADMA.

<<Accc authorisation response Sept 03.doc>>

Judy Hughes
Deputy Commissioner
Policy and Legal
Office of Consumer and Business Affairs

Phone: (08) 8204 9616
Fax: (08) 8204 9590
Email: hughes.judy@agd.sa.gov.au



Reference: 600/02 - 00066

1 September 2003

General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DISCKSON ACT 2602

Attention: Ms Tania Mayrhofer

Dear Ms Mayrhofer

Revocation and substitution of A40077 - Australian Direct Marketing Association Limited

I refer to the ACCC's letters of 29 July 2003 and 14 August 2003 seeking submissions in relation to the request by the Australian Direct Marketing Association for revocation and substitution of authorisation A40077 and interim authorisation.

The Office of Consumer and Business Affairs (OCBA) does not oppose the amendments to the ADMA Code of Practice. Although they tend to further restrict the conduct of ADMA members, OCBA considers that the amendments tend to improve consumer protection for ADMA customers and the additional protection is in the public interest.

In fact, OCBA is keen to see further Code amendments that are directly related to ADMA's ability to measure and report on the effectiveness of the Code. In the absence of measurable indicators, OCBA is concerned that regulators will be forced to consider whether legislated regulatory intervention in the direct marketing industry are necessary to ensure that consumer protection is maintained at an acceptable level.

To this end, OCBA is keen to see the Model Code of Practice on Direct Marketing, on which the ADMA Code is based, amended in a way that requires direct marketers to gathering data from the community as to the level of satisfaction with direct marketing and direct marketers, The data should be required by the Code to be gathered by ADMA members at each point of public contact. The data will provide a basis upon which the success of the Code can be assessed and the need for greater, or lesser, regulation can be determined. Likewise, the balancing act of weighing the detriment of anti-competitive requirements against consumer protection could be better performed.

OCBA also takes the view that the Code should be amended to require ADMA members to give consumers an 'opt out' or 'no contact' choice at each point of contact (ie in telemarketing as well as on published material). Further, ADMA members should announce

that they are adherents to the Code at each point of consumer contact. This may stimulate interest in the Code and facilitate assessment of its effect on consumers.

Yours sincerely

Judy Hughes
Deputy Commissioner
Policy and Legal
OFFICE OF CONSUMER AND BUSINESS AFFAIRS