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Dr Richard Chadwick
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001

adjudication@accc.gov.au

Dear Dr Chadwick

RE: Energy Assured Limited's applications for authorisation A91258 & A91259

TRUenergy welcomes the opportunity to provide the following comments in relation to Energy Assured Limited's applications A91258 & A91259 for authorisation by the Australian Competition and Consumer Commission (ACCC).

As a member of Energy Assured Limited (EAL), TRUenergy strongly supports the authorisation of its self-regulatory code (the Code) for door to door sales in the energy industry by the ACCC. Following the feedback from the ACCC based on comments from other stakeholders, EAL have made a number of important changes which TRUenergy believes demonstrates the industry's preparedness to take practical steps to improve customers' experiences with energy retailers' doorknockers.

Door to door selling represents a fundamental aspect of the retail energy industry today. As highlighted by the Australian Energy Market Commission in its Review of the Effectiveness of Competition in South Australia:

*"...Energy is also a homogeneous service which is treated as a relatively low involvement commodity by most energy consumers rather than a high value, differentiated product that justifies extensive market search and analysis. This consumer reality has an important influence on the development of the competitive environment for electricity and gas for both customers and retailers."*¹

Because of this lack of consumer interest in energy, retailers rely on direct marketing channels, such as doorknocking to engage with customers. The reliance on these channels has contributed to the, South Australian, New South Wales and Queensland markets being ranked in the top ten of the most competitive energy market in the world by VaasaETT and Victoria the most competitive energy market in the world.² While TRUenergy would note that the reliance on direct marketing has resulted in a small proportion of complaints, it nevertheless believes that on the whole customers in these markets have overwhelmingly benefited from the significant level of competition that has come from the direct

¹AEMC 2008, Review of the Effectiveness of Competition in Electricity and Gas Retail Markets in South Australia, First Draft Report, 4 July 2008, Sydney.

² VaasaETT, World Energy Retail Market Rankings Report 2010, See www.utility-customer-switching.com

marketing of energy.³ The Code therefore represents the industry's response to government concerns to improve the doorknocking experience of energy customers. While the establishment of this Code ultimately could be done by regulation overseen by a government agency, an industry response such as the AEL is likely to cost less and be far more effective than if it was done via traditional regulation.

For TRUenergy there are a number of important benefits, aside from the costs, of a self regulatory code which will flow through to consumers. The most important of these will be the tracking of doorknockers who have been dismissed from another retailer for contravening industry rules or for poor behaviour. TRUenergy is strongly of the view that the only way to mitigate the instances of 'rogue' doorknocking is with the establishment of a register which includes all retailers' doorknockers.

As well as the register, TRUenergy is of the view that both consumers and the industry will benefit from a more standardised approach to the training of doorknockers, which will ensure they are kept up to date with changes in regulations and are educated about what is expected of them under the EAL Code. TRUenergy believes the register combined with the standardised training program will also assist with the management of complaints and in the long run hopefully result in fewer customer grievances.

In responding to the changes made to the Code, TRUenergy recognises that the ACCC had reservations about authorising the scheme, however based on the wholesale changes to the governance and operation of the Code, and the significant amount of consultation the Energy Assured has undertaken with all stakeholders TRUenergy believes the scheme should now be authorised.

TRUenergy would note that there exists strong opposition toward doorknocking and the removal of price regulation, and that for certain segments of the community the Code represents a way of ensuring the continuation of direct marketing of energy and progress toward the potential removal of retail price regulation. Given the significant benefit that end customers derive from competitive energy markets TRUenergy would be disappointed if these issues were to overshadow the additional benefits for customers that will come from the implementation and authorisation of this Code.

Should you have any questions in relation to this submission please feel free to give me a call on (03) 8628 1185.

Yours sincerely

Alastair Phillips
Regulatory Manager
TRUenergy

³ See page 2,
<http://www.accc.gov.au/content/trimFile.phtml?trimFileName=D11+199117.pdf&trimFileTitle=D11+199117.pdf&trimFileFromVersionId=974920>