



2 William Street  
East Richmond, VIC 3121  
T 61 3 9425 0590  
F 61 3 9425 9603  
W [redenergy.com.au](http://redenergy.com.au)

4th March 2011

Your Ref 43916

Mr R. Chadwick  
General Manager, Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 520  
MELBOURNE VIC 3001

By Email [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

Dear Sir

Application for Authorisation – A91258 & A91259- Energy Assured Limited Door-to-Door Energy  
Sales Self-Regulatory Scheme

This submission is made in support of the Application for Authorisation by Energy Assured Limited (EAL). Red Energy Pty Ltd ("Red Energy") is a member and participant in the proposed Scheme.

Red Energy believes that the proposed Scheme, as outlined in the Application and the amended documents submitted as part of the Authorisation process, will have significant public benefit that outweighs any anti-competitive detriment.

Through rigorous recruitment, training, assessment and accreditation regimes aimed at instilling and enforcing the EAL Standards, the quality of door to door marketing of energy can be expected to improve significantly.

High standards of door to door marketing of energy are likely to contribute to:

- lower rates of inappropriate or unwelcome contacts between Sales Agents and consumers;
- a reduction in the use of unscrupulous sales tactics;
- better overall experiences for consumers;
- fewer complaints to regulators and Ombudsman in relation to the conduct of Sales Agents.



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Better levels of consumer protection and consumer confidence will be delivered because:

- a member cannot engage a Sales Agent who does not have the appropriate level of accreditation.
- Sales Agents will be monitored through a central database and through a complaints and competence monitoring process that is consistent across all territories.
- Sales Agents will be recruited upon the basis of approved and agreed criteria, and then trained in a consistent manner in keeping with the objects of the Scheme, as well as the standards required by all regulatory obligations.
- In promoting complete disclosure of the terms of energy contracts offered by Sales Agents in door-to-door transactions, consumers can be expected to be better educated about their energy supply choices as a result of the EAL Scheme.

The proposed Scheme will facilitate the streamlining of processes and create uniformity in the selection, recruitment, training and competence of Sales Agents. This will in turn promote certainty and consistency.

The Scheme will provide clear parameters for compliance which will supplement current processes and assist members to comply with their legal and regulatory obligations in conducting door-to-door sales activities.

From an administration and monitoring perspective, this, together with the central register facility and standardised compliance audits, is expected to promote compliance efficiencies within the industry.

Red Energy believes that the Scheme will have little, if any, public detriment, particularly in relation to any impact on competition. The Scheme is open to all Energy Retailers and Energy Marketers. Similarly the participation of all Sales Agents is encouraged.

The Application outlines various areas (the Accreditation Provision, the Exclusive Representative Provision and the Member Provision) where certain perceptions may be raised which suggest that there may be some restriction on competition. It is Red Energy's view that in each of those instances the restrictions are moderate and reasonable given the context of the whole Scheme, and the overriding public benefit derived from the Scheme outweighs these perceptions.

Non compliance with current obligations has a direct cost to Retailers, as a result of investigation and remedial action as well as brand and reputational damage. The anticipated benefits of the Scheme, even with the not insubstantial costs of the Scheme, will outweigh this. It will be in the Retailer's best interests to maximise the advantages of the Scheme. Non compliance with the EAL standards and Code of Practice will result in sanctions being imposed against member participants. Non compliance will result in significant flow on costs.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stephen Grant".

Stephen Grant  
Compliance Advisor  
Red Energy Pty Ltd