

**From:** Helen Scott [mailto:energy@eccnsw.org.au]

**Sent:** Thursday, 3 March 2011 1:17 PM

**To:** Howes, Neil

**Subject:** Door to door energy sales scheme - ACCC meeting with consumer groups to discuss amended EAL proposal

Dear Neil

I have very recently become aware of the ACCC process regarding door-to-door energy sales, but have not yet had the opportunity to get across all the detail. However a brief scan of the detail clearly indicates that there is no provision for addressing the issues and concerns of community members whose English proficiency is limited or ensuring that door-to-door sales are performed with culturally appropriate sensitivity.

I am, however, aware that you are meeting with representatives of a number of consumer and community organisations to discuss this matter today, and would welcome the opportunity to discuss the Ethnic Communities' Council (ECC) perspective.

The ECC is the peak body for all culturally and linguistically diverse communities in New South Wales, with a mission to promote the principles of multiculturalism and work vigorously towards the further development of a multicultural society. The ECC's main activities are advocacy, education, and community development. Our members are both individuals and organisations working for multiculturalism. The ECC has been working and continues to work with both business and community to facilitate sustainable living and working.

The organisation is in frequent direct contact with members of ethnic communities who are continually confronted by processes that are neither culturally appropriate nor intelligible for those with English as a second language. This is particularly difficult in the activities of door-to-door salesmen from energy providers.

Of particular concern are:

- The aging ethnic population who arrived in Australia after WW11. As these people age they forget their second language and revert to their first language. The concept of changing electricity providers is new and the contracts are complex. This results in confusion and additional expenses for this group who studies have shown are the most vulnerable.
- Newly arrived and refugees who are new to the concept of energy provision and costs as well as often having low level of English language proficiency.

However it is not only these two groups of the Ethnic population that consumer engagement with and awareness of energy issues is low, and therefore most are unable to fully understand the 'pitch' delivered by salespeople. Many Culturally and Linguistically Diverse (CALD) community members are more likely to confuse the status and intention of the salesperson, and think that they are a government representative or official rather than a representative from a competitor company. Often the salesperson presents their offer in terms of 'making sure the consumer is getting the tariff reduction they are entitled to' rather than selling an alternative product.

Any training of sales staff will need to incorporate cultural awareness and the provision of support with translated information and contracts and access to interpreters.

It is the ECC's view that it is extremely difficult to adequately regulate this practice. There is an inherent incentive for commission-based energy salespeople to exploit the very low level of consumer understanding of the energy market and retail energy products, and the most vulnerable consumers are the ones least likely to contact a regulator or the ombudsman to complain about poor practices, in part because they are likely to be unaware that the information they were given by the salesperson was misleading.

There is need for further engagement with community and consumer organisations in order to safeguard consumers. The ECC would welcome the opportunity to participate in further work, and if you maintain a consumer/community stakeholder list we would be grateful for our inclusion on it in order to receive updates on this issue.

There is also a need for robust monitoring and evaluation of the success of any regulatory framework put in place to protect consumers and prevent inappropriate sales techniques, and should regulation prove incapable of preventing consumer harm, the question must be asked as to whether the practice should be prohibited or permitted only on an opt-in basis with culturally appropriate training of sales staff, translated material and ease of interpreter access.

Please do not hesitate to contact me to discuss this matter further or if you have any queries.

Helen

*Helen Scott  
Energy Program Coordinator  
Ethnic Communities' Council of NSW Inc  
Tel: 61 2 9319 0288 Fax: 61 2 9319 4229  
Mobile: 0424 833 892  
Email: [energy@eccnsw.org.au](mailto:energy@eccnsw.org.au)  
Web: [www.eccnsw.org.au](http://www.eccnsw.org.au)*