

Blanch, Belinda

From: Janine Rayner [janine@consumeraction.org.au]
Sent: Thursday, 14 April 2011 12:44 PM
To: Adjudication; Jones, Gavin
Cc: Howes, Neil
Subject: Energy Assured Limited application for authorisation A91258 & A91259 -draft determination - Consumer Action Law Centre comment

Dear Dr Chadwick,

Thank you for advising us of the ACCC's draft determination in respect of the application for authorisation lodged by EAL for a scheme to regulate door to door energy sales. We are not able to provide a formal written submission at this time, however, we would like to make the following brief comments in response to the ACCC's draft determination.

We strongly support the draft determination by the ACCC on the basis that we believe the scheme will not deliver much, if any public benefit but may in fact generate a public detriment.

We believe that any proposed approach by the energy businesses needs to deliver benefits above and beyond the current regulatory framework if consumers are going to experience any public benefit.

We appreciate the consultation process undertaken by the ACCC in its efforts to understand and develop an appropriate response to the serious issues around existing energy marketing practices and the proposal by EAL. We also write to reiterate the comments made in our submissions to the ACCC, both written and verbal.

As previously stated, we would welcome effective initiatives to address the problems associated with door to door energy marketing, but we do not consider that the EAL proposal was such an initiative.

The industry needs to realise that any potential benefits to be gained by such a proposal need to, *at minimum*, improve standards for energy door to door marketing, by adding to the protections that currently exist, rather than creating additional complexity and confusion for consumers. This could be achieved, for example, by focusing on the experience of consumers and what they need, such as, more informed decision-making, a fairer balance of power on the door step, and an easier ability to avoid such marketing conduct if a consumer wished.

Realising the benefits of a revised approach would also require a strong complaints handling process, provisions that go beyond those already provided for in the law, and a considerable focus on holding energy retailers, not just individual salespersons, accountable.

A means of achieving this is to consult effectively with relevant stakeholders and an acknowledgement by the retail energy sector of the failures in the market around energy marketing. It will also require a revised approach, developed from scratch, by EAL.

We, of course, would continue to support an opportunity to work with the government, energy industry and regulators on developing an outcome that is in the interests of consumers and that does deliver effective public benefit.

Yours sincerely,

Janine

Janine Rayner
Senior Policy Officer - Energy

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