

 <p>QUEENSLAND CONSUMERS ASSOCIATION</p>	<p>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</p> <p><i>Secretary: Max Howard PO Box 261 Corinda Q 4075 Telephone: 0419 678 395</i></p>
--	--

20 April 2011

**SUBMISSION ON ACCC DRAFT DETERMINATION ON ENERGY ASSURED
LIMITED APPLICATIONS FOR AUTHORISATION - A91258 AND A91259**

BACKGROUND

The Queensland Consumers' Association (QCA) is a non-profit organisation which exists to advance the interests of Queensland consumers. QCA's members work in a voluntary capacity. QCA is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups. QCA's members specialise in particular policy areas, including energy.

QCA is represented on a range of energy related bodies including the Queensland Competition Authority's Consumer Consultative Committee and the Energy Ombudsman of Queensland's Advisory Council. QCA also attends meetings of the Energy Retailers Roundtable convened by the Queensland Minister for Energy and Water Utilities.

QCA participates in consultations, etc. on public energy policy issues in Queensland and nationally, including relevant interstate consultations.

QCA has long standing and continuing concerns about the substantial problems and detriment experienced by consumers in south east Queensland as a result of unsolicited approaches by door to door marketers of energy contracts. (Although, full retail competition is allowed throughout the state, in practice at present competition and door to door marketing of energy contracts only occurs in the Energex area in south east Queensland.)

QCA is also concerned that many door to door marketers are not made to comply fully with existing legislative requirements.

QCA made a written submission on Energy Assured's initial applications and, with other consumer groups, also participated in a meeting with the ACCC to discuss the amended Energy Assured applications.

QCA welcomes the opportunity to make this submission on the ACCC's draft determination.

The contact person regarding this submission is: Ian Jarratt (email: ijarratt@australiainmail.com)

COMMENTS

QCA supports the ACCC's draft determination to deny authorisation to Energy Assured for members to adopt and comply with the proposed scheme to regulate door to door sales of energy contracts for the reasons indicated in the draft determination.

QCA particularly welcomes that the ACCC recognises:

- Door to door sellers of energy contracts have a position of considerable responsibility regarding the information provided to potential new customers and the sales techniques used.
- The potential for market failure to occur due to consumers lacking information about alternative suppliers and products when approached by a door to door seller representing only one retailer with one range of products.
- The existence and importance of current legislative requirements for door to door selling of energy contracts.
- The need for any new regulatory arrangements, including self regulation, to add to and not undermine the consumer protections already in place.

QCA would support the introduction of an industry scheme which would improve outcomes for consumers and the effective operation of markets, and which would effectively complement existing legislative requirements. However, the proposed scheme would not do this.

QCA considers that such a scheme is only likely to be developed if the industry is prepared to consult early and meaningfully with a range of stakeholders, including consumer organisations, regulators and ombudsman schemes.

QCA emphasises and regrets that Energy Assured did not undertake early and meaningful consultation with consumer organisations prior to preparing the current scheme and submitting its applications to the ACCC.

QCA also emphasises that even if a suitable new scheme is developed and implemented by industry it should be regarded as a complementary, to not a substitute for, effective monitoring and enforcement by regulators of retailer compliance with existing legislative requirements on door to door selling of energy contracts.

QCA also considers that regulators should more effectively monitor and enforce retailer compliance with existing legislative requirements on door to door selling of energy contracts.