



28th November 2013

Your Ref 52670
Contact Officer Tanya Hobbs

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

By email : adjudication@accc.gov.au.

Dear Sir

RE: APPLICATION FOR REVOCATION OF AUTHORISATIONS A91258 & A91259 AND SUBSTITUTION OF
NEW AUTHORISATIONS A91390 & 91391- ENERGY ASSURED LTD

We refer to the Application by Energy Assured Ltd (EAL) and thank you for the opportunity to comment.

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

Red Energy believes that the EAL Scheme, as outlined in the Application and the documents submitted as part of this Revocation and Substitution process, will continue to provide significant public benefit that outweighs any anti-competitive detriment.

In Red Energy's submission in support of the original Application, we contended that a number of benefits would flow from the introduction of the Scheme. With the benefit of the recent experience Red Energy believes that these contentions have been proven to be correct. It is our view that if the Scheme is permitted to continue pursuant to this Application, that the improvements and benefits will continue.

Red Energy believes that the rigorous recruitment, training, assessment and accreditation regimes aimed at instilling and enforcing the EAL Standards, have improved the quality of face to face marketing of energy.

The improved quality of face to face marketing of energy has contributed to better overall experiences for consumers and fewer complaints to regulators and Ombudsman in relation to the conduct of Sales Agents.

Better levels of consumer protection and consumer confidence have been delivered because:

- a member cannot engage a Sales Agent who does not have the appropriate level of accreditation.
- Sales Agents have been monitored through the central database and through a complaints and competence monitoring process that is consistent across all territories.
- Sales Agents have been 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 face to face transactions, consumers have been better educated about their energy supply choices as a result of the EAL Scheme.

The EAL Scheme has facilitated the streamlining of processes and created uniformity in the selection, recruitment, training and competence of Sales Agents. This in turn has promoted certainty and consistency.

The Scheme and in particular the Code of Practice have provided clear parameters for compliance which have supplemented existing processes and have assisted members in compliance with their legal and regulatory obligations in conducting face to face sales activities.

Red Energy believes that consumer awareness of the Scheme is increasing and will continue to do so, as the Scheme matures and develops. The Code Manager has worked assiduously to meet with consumer stakeholders (and other stakeholders more broadly) and the regularly convened Stakeholder Working Group meetings have provided a valuable forum for the views of all interested parties to be heard.

The categorisation of breaches has been accurate and appropriate. It has also resulted in considerable analysis to ensure that complaints are correctly categorised. The categorisations are consistent with other regulatory classifications.

The process of warning notices has proven effective and acts as a strong deterrent, but equally has fostered process improvement and close examination of policies and procedures.

Red Energy believes that the current level of external reporting is adequate, particularly given the considerable obligations on external reporting to and by regulatory authorities.

Red Energy's experience is that the Scheme has significantly assisted in our compliance objectives. The Code of Practice, because of its level of detail has enabled very clear guidelines to be developed. It has resulted in better training outcomes and has enhanced effective management of this marketing channel.

Face to face marketing is a dynamic sales environment, but the Code and the Scheme have been sufficiently flexible to accommodate changes, which have not resulted in any reduction in consumer benefit.

Should you require any further elaboration on any aspect of this submission please advise.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SG' with a stylized flourish at the end.

Stephen Grant
Manager-Quality and Compliance
Red Energy Pty Ltd

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