

Committee Secretary
Senate Standing Committee on Environment, Communications
And the Arts
PO Box 6100
Parliament House
Canberra ACT 2600



22 January 2010

Dear Secretary

I am writing to you to express AIIA's concern about the proposed extension of the Do Not Call Register (DNCR). The breadth of the proposed extensions will greatly reduce the ability of all businesses, not just SMEs, to access significant new market segments. In an environment where this government is attempting to encourage industry and business to increase growth, prohibiting market access runs counter to that goal. AIIA supports the extension of the DNCR to emergency service organisations; any interruptions to the effective operations of emergency services through predictive dialing equipment or other methods should be prohibited by these proposals.

AIIA is the national industry body for the information and communications industry sector and comprises more than 400 large and small companies developing and supplying ICT hardware and software goods and services in a global market. Members operate in all states and employ more than 100,000 Australians, generating combined annual revenues in excess of \$40 billion (approximately 5% of GDP) and export more than \$2 billion in goods and services each year. AIIA's National Board of Directors includes the CEOs of Microsoft, IBM, Hewlett-Packard and Intel as well as many Australian SMEs.

Many of our members, both large and small, use various tele/fax marketing methods to contact potential new customers. An example of AIIA member responses; "The proposed changes would be a disaster. As a small IT business of 15 people the administrative overhead of checking every phone number with a DNC before we make a marketing call will reduce sales productivity by about 25%. This will increase sales costs accordingly. In the real world of business the telephone is the only effective marketing tool".

Commercial relationships developed in this way (or indeed in any way), rely for their long term sustainability on responsible management of customer expectations and 'comfort'. If a business did not manage its own contact with potential, new or existing customers, that relationship would soon pall. Consequently, business will always self-manage contact through 'cold' calls, or with existing customers, so as to avoid as much as practicable negative responses arising from such calls or contact. Similarly, businesses in receipt of allegedly time-consuming and unwanted telephone and/or fax marketing solicitations generally have mechanisms in place to minimise productivity losses caused by such calls.

AIIA notes and welcomes proposals to continue business-to-business contacts where there is inferred consent pursuant to an existing relationship, or express consent already granted.

New, additional consent mechanisms whereby registrants may nominate to receive calls from 'specific industry classifications' do not however, provide sufficient certainty to outweigh the real risk of significant new markets being closed off for business. This is because there is no detail as to what the 'specific industry classifications' will cover; ACMA has yet to determine their coverage, and until that is made available it is impossible to ascertain how this exemption will be implemented.

If it is to be based on the ANZSIC industry classification codes it will be complex and unwieldy, presenting too great an interpretational challenge for new registrants who may wish to retain their ability to receive product information from certain sources. If it is limited to calls related to the recipient's own business operations, this restricts both the recipient and the calling business unnecessarily, particularly in a market where ICT services and products are pervasive across sectors.

As an example, the proposed exemption could exclude an AIIA member which specialises in health records software from approaching a hospital because ICT is not a hospital's 'industry classification'. The Second Reading Speech for the Bill (26 November 2009) does in fact note that new registrants will only be able to "nominate a limited range of industry sectors about which they would wish to continue to receive telemarketing calls..." (page 12976). This is pre-empting a business decision that should be appropriately be made by the recipient business, not by government.

AIIA suggests the proposals be amended to provide for a business-to-business exemption that allows new registrants to tailor their own receipt of calls and faxes according to their own determination, with no restriction as to which industry classifications they nominate.

AIIA would be pleased to expand on these points should the Standing Committee require.

Yours sincerely

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