



21 August 2012

Committee Secretary  
House of Representatives Standing Committee on  
Social Policy and Legal Affairs  
PO Box 6021  
Parliament House  
Canberra ACT 2600

By email: [spla.reps@aph.gov.au](mailto:spla.reps@aph.gov.au)

Dear Sir/Madam

#### **INQUIRY INTO THE DO NOT KNOCK REGISTER BILL 2012**

Alinta Energy welcomes the opportunity to make a submission to the Committee on the inquiry into the *Do Not Knock Register Bill 2012 (Bill)*.

Alinta Energy is an active investor in the energy retail, wholesale and generation markets across Australia. Alinta Energy has over 750,000 retail energy customers in Western Australia, South Australia and Victoria with a commitment to growth across the National Electricity Market (**NEM**). It also has over 2500MW of generation facilities in Australia (and New Zealand).

Like most retailers in Australia, Alinta Energy relies on door to door selling as the main channel to market to new customers. The competitive energy markets in the NEM have been successful largely because of this form of marketing. Alinta Energy would therefore be concerned about any changes to the regulatory framework which would limit energy retailers' ability to actively compete through this channel, thereby having a detrimental impact on competition in the energy market.

In addition, it is our view that the Bill and establishment of a Do Not Knock Register as proposed is unnecessary in light of current protections afforded to consumers under the Australian Consumer Law (**ACL**) and the self-regulation of the industry, exemplified by the Energy Assured Limited (**EAL**) Code of Practice which has received authorisation by the Australian Competition and Consumer Commission (**ACCC**). These are other relatively low cost and effective methods for consumers to indicate their preference not to be marketed to via door to door, including the use of a Do Not Knock sticker that negate the need for a Register.

Further details on these issues and the reasons why Alinta Energy believes a Do Not Knock Register is unnecessary are outlined below.

#### **1. Protection through the Australian Consumer Law already exists**

Direct and unsolicited marketing is already heavily regulated by the ACL, which only came into force on 1 July 2011. It is our view that it is premature to further legislate an industry that is currently the subject of review and has the attention of the ACCC. The ACL is still in its infancy and the implementation of any additional legislative framework prior to any thorough assessment



of the ACL would be premature. In addition to the ACL, door to door marketing and sales is also covered by the State Fair Trading legislation, national privacy legislation and in relation to the energy industry by various State-based Marketing Codes of Conduct and regulations. The infancy of the ACL should be acknowledged, and time should be given for its full effect to be realised before any further changes to the regulatory framework are made.

## **2. Do Not Knock stickers provide customers with choice**

Do Not Knock stickers are available from the ACCC and other consumer groups free of charge. It is industry practice not to knock or approach premises that have a Do Not Knock sticker clearly visible. This practice of the energy industry and other direct selling agencies to observe Do Not Knock stickers both respects and protects a consumer's choice not to be marketed to at their home.

In the energy industry, by far the largest user of door to door marketing according to the ACCC's report *Research into the Door to Door Sales Industry in Australia*, the EAL Code of Practice mandates that agents found to have ignored Do Not Knock stickers are deregistered and not permitted to sell energy with for five years. This provides an appropriate incentive for door to door agents to comply with the stickers.

The Do Not Knock sticker is a simple, low cost, efficient and easily accessible mechanism at the disposal of consumers who wish to indicate their preference not to be marketed to via door to door selling. Any need for a Register should be premised on the evidentiary failure of the Do Not Knock stickers. At this time there is nothing to suggest that Do Not Knock stickers are not an effective mechanism for customers wishing to express their preference not to be marketed to via door to door.

Alinta Energy does however believe that given the increased importance of Do Not Knock stickers, there is significant benefit to consumers and to door to door marketers to have standardised stickers issued by an appropriate body upon request by a consumer. This includes ensuring their size and colour is uniform and there is guidance as to how the sticker should be displayed. This will make it easier for marketers to recognise and therefore comply with the stickers.

## **3. Economic impacts not yet examined and wider consultation is necessary**

The Explanatory Memorandum states the Bill will have no financial impact. Alinta Energy does not agree with this statement. The cost of setting up the Register and the ongoing administrative costs for retailers and the administrator of the Register will be significant.

In addition, the Bill will impact competition in the energy industry and other industries that rely on door to door marketing, particularly the smaller 'second tier' energy retailers. Additionally, the financial impact on small business operators, including local proprietors, who may seek to use door to door on an infrequent basis may be excessive and therefore may no longer be an economical marketing tool to help sustain their small business.

The impact to competition will limit customer choice and will contribute to increased costs, which will ultimately be passed onto consumers in these industries.

Alinta Energy is concerned these impacts of the proposed Register on business and the administrator have not been fully assessed. Alinta Energy believes given the Bill's potential impact on competition and the associated costs, measures consistent with COAG Best Practice Regulation policies should be carried out when assessing this Bill. In addition key stakeholders,



particularly in the energy industry, identified as the largest user of door to door sales and marketing, should be consulted with on the likely impact of the implementation of a Do Not Knock Register as proposed in the Bill.

**4. Practical and administrative difficulties exist**

The Bill as currently drafted may be difficult and costly to administer, and these matters should be further explored if a Register is to be introduced.

Administrative and practical matters Alinta Energy believes should be considered include:

- a. Costs of having to submit address lists and confirm the number of properties in each street, street names, types, suburbs and postcodes;
- b. The management of the data-set is larger and more cumbersome than that of managing telephone numbers, as are managed under the Do Not Call Register (which are able to be transferred when moving residence);
- c. Addresses have larger margins of error than telephone number; multiple suburbs, same street names, street types, house and apartment numbers, postcodes; and
- d. The affect of registration of addresses on future owner/occupiers of property.

**Conclusion**

Energy retailers use door to door marketing and sales as it has proven to be a cost effective channel. Door to door marketing enables energy retailers to provide competitive energy offers to consumers, which results in improved products and services and cost savings for consumers. It is the availability of this cost effective channel that has allowed competition to develop and for customers to receive the benefits from this competition in the energy industry. The introduction of a Register is likely to have a negative impact on competition in this market.

In addition, door to door marketing and sales, particularly in relation to energy, operates in a heavily regulated environment. As previously stated our view is that there is no evidence to suggest that further regulation of door to door marketing and sales with the introduction of a Do Not Knock Register as proposed by the Bill, is necessary or would provide any additional consumer benefit.

Alinta Energy does support the continued use of Do Not Knock stickers which do provide consumers with the choice not to allow marketers to contact them at home. These stickers should be standardised and issued by an appropriate body along with guidance as to how the stickers should be displayed. This will make it easier for door to door agents to recognise them and comply.

Should you require any additional information or wish to discuss our submission please contact me on [REDACTED] or via email: [REDACTED]

Yours sincerely

[REDACTED]  
**Shaun Ruddy**  
Manager National Retail Regulation