



A division of Marden Energy

ABN: 99 076 010 583

PO Box 2296

Mount Waverley, 3149

Tel: 03 9807 5286

Fax: 03 9888 3096

12<sup>th</sup> August , 2011

General Manager  
Markets Branch  
Australian Energy Regulator  
GPO Box 520  
Melbourne, Vic 3001

Submission re Draft – Exempt Selling Guideline – June 2011

Dear General Manager,

This submission comments on the Draft – Exempt Selling Guideline dated June 2011

The comments are made primarily from a perspective of operators and residents of retirement villages and lifestyle villages that operate as exempt sellers in the proposed registrable exemption classes R3, and R2 where the site is a retirement village and R4 where the site is a manufactured home estate.

The evolution of the guideline has been quite well conducted and both the draft and the supporting Notice of draft instrument have been well written. The RVA , exempt sellers, exempt customers and ourselves have been active participants in this process and we applaud the efforts of AER.

We endorse the draft and the reasoning behind many of the decisions.

It is however important that we express some disappointment in respect to the negative tones of the documents toward exempt selling.

Unfortunately such negative tones tend to cause warning bells for the exempt sellers and exempt customers because of a seeming bias against exempt selling, although the bias seems only to be in wording (or lack of it) in the documents rather than any adverse actions from AER who have been very professional in our dealings.

I am referring to the apparent absence of any reference in the documents to the positive aspects of exempt selling.

Typically in section 1.4 Page 9 of the draft and CI 2.1 Page 6 of the Notice the oft repeated statement “The AER acknowledges that exempt selling is often not in the long term interests of customers”.

Many thousands of customers not only choose to be exempt customers but actively strive to be exempt customers because of the many benefits for them and because the Retail Law (Section 114 (1) (b) has afforded them the right to choice of retailer, or in this case exempt seller.

Attachment “A” to the Notice in comments on Page 9 regarding incidental selling and why approval may be given to exempt selling, does not consider cases where exempt selling is of considerable benefit to the consumer as is the case for thousands of exempt customers. One would hope that situations where exempt selling is of clear benefit to the consumer would be positively viewed when considering the merits for exemption alongside other criteria.

Notwithstanding the above heartfelt comments we consider the consultation process to have been very thorough and we recognize the current draft as being reflective of that process.

We request that if there are changes to the draft that there will be the opportunity to comment further on aspects where our endorsement may change as a result of the revision.

Dennis Etchells  
Principal  
Network Energy Services