

**Submission to the Senate Standing Committee on
Environment, Communications and the Arts
Inquiry and Report on the
Do Not Call Register Legislation Amendment Bill 2009**

from

Accor Advantage Plus

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Introduction:

Accor Advantage Plus submits that the proposed Amendment Bill:

- Threatens the economic viability of Accor Advantage Plus and the continued employment of a significant number of the current 240 plus employees (predominantly part-time female staff) as 99% of the Accor Advantage Plus business is generated by telemarketing directed at individuals on their business numbers and conducted between the hours of 8.30am and 5.00pm daily. Other forms of business marketing or advertising have been undertaken by Accor Advantage Plus and other organizations selling a similar service and none have generated any significant new business. Direct one-on-one conversations, lasting on average 10 to 15 minutes, have proved to be the most effective method of conducting Accor Advantage Plus's business and are appreciated by Accor Advantage Plus's 165,000 client/members.
- Is anti competitive as it would create barriers to entry from organizations within the hospitality sector seeking to establish loyalty/brand based accommodation programs as it would preclude the creation of "lead" lists and the contact of persons/organizations on such lists.

- Fails to acknowledge that business organizations are in business to buy and sell and buyers and sellers must market. Business is also sophisticated enough to be able to winnow out the selling or buying calls that are relevant and disregard those not relevant.
- Is over prescriptive as, based on Access Economics research, only 20% of telemarketing calls are business-to-business. It appears to be an over-reactive solution to an issue that business is able to manage itself.
- Is somewhat hypocritical on the part of government departments which are critical of business-to-business telemarketing calls when the same government departments are exempt from any prohibition in making telemarketing calls.

For these reasons and others outlined below, Accor Advantage Plus does not support the proposed Amendment Bill.

Accor Advantage Plus does support the prohibition of telemarketing calls to emergency services. Indeed, Accor Advantage Plus would support the imposition of heavy fines or other penalties on organizations that initiated calls to any emergency service number.

Accor Advantage Plus does welcome the opportunity to participate in the Inquiry by the Senate Standing Committee on Environment, Communications and the Arts.

Accor Advantage Plus would, if requested, be prepared to expand this submission before any hearings of the Senate Standing Committee.

Background:

Accor Advantage Plus is an organisation founded in 1994 that operates through 11 centres throughout Australia, including rural and regional Australia.

Accor Advantage Plus employs 240 plus people, including many part time employees who work to supplement their families' incomes. Part time employment enables many of our employees to manage child education and care responsibilities with employment.

Each year, our call centres contact and organise new and renewed memberships for over 165,000 Australian client/members. Accor Advantage Plus, headquartered in Australia, also operates throughout the Asia-Pacific Region servicing a similar membership base with revenues repatriated to Australia. Membership rates for the more than 300,000 subscribers are around \$A290.

Accommodation and food and beverage revenues from Accor Advantage Plus members underpin the financial viability of all the 152 Accor hotels in Australia, which employ directly over 7500 people. The Accor brands are Sofitel, Pullman, Grand Mercure, Novotel, Mercure, Ibis, All Seasons and Formule 1.

Accommodation at Accor hotels generated via Accor Advantage Plus is five times greater than the next largest source of accommodation and food and beverage, Qantas Holidays.

The Accor Advantage Plus product enables individuals and businesses, particularly small and medium enterprises, to access accommodation of all levels in over 380 hotels throughout Australia and the Asia-Pacific Region at the most competitive members-only rates. In addition, Accor Advantage Plus membership provides up to a 50% reduction in dining charges.

The members of Accor Advantage Plus are representative of virtually every sector in the Australian economy, both public and private and through small, medium and large enterprises.

To restrict Accor Advantage Plus's ability to access potential clients would lead to the gradual and inevitable decline of its business and the employment of its staff with equivalent adverse implications for Accor hotel staff.

Business's ability to control/manage operations

As a business with operations spread across the nation in establishments equivalent to most SME's, Accor Advantage Plus contends that any business is able to control and/or manage its operations to such an extent that any unwanted or unnecessary telemarketing calls can be dealt with in a robust manner.

Integral to any business is buying or selling. Without either, whether a product or a service, then there is no future for any business.

When the proposed Amendment Bill had its second reading in the House of Representatives on 26 November 2009, the Minister representing the Minister for Broadband, Communications and the Digital Economy, said:

“This change (the Amendment Bill) is not intended to impinge on business-to-business communications which are an important part of everyday business activity.”

Further on he said:

“There have been concerns that extending the (Do Not Call) register to business numbers will limit competition and stifle innovation. To address these concerns, the bill contains an additional consent mechanism that allows businesses to list their number on the register and continue to receive telemarketing calls or marketing faxes relating to specific industry classifications.”

Accor Advantage Plus contends that the bill *will* impinge on business-to-business communications. In the normal course of selling a service, organizations like Accor Advantage Plus would be precluded from access a significant new market base.

In his second reading speech, the Minister referred on several occasions to “rising community concerns” about telemarketing as the driver for the Amendment Bill.

Putting to one side his expressed additional concern regarding the receipt of telemarketing calls to emergency services (with which Accor Advantage Plus is totally supportive of both a formal ban and the imposition of stringent penalties), what areas of business are included within the defined “community”.

In the context of the economic life of the nation, the generally defined “community” is not synonymous with “business”. The inclusion of individuals on the Do Not Call Register is representative of “community” and the extent of registrations on the DNCR shows that “community concerns” have been addressed by the Australian Government and that there has been no catalyst for extension of the DNCR to business and the concomitant adverse economic impacts.

As far as the second point raised by the Minister, Accor Advantage Plus contends that by allowing *only* “specific industry classifications”, organizations like Accor Advantage Plus, which has a client/membership base which extends through almost every sector of the Australian economy – public or private – would have the majority of its potential new business locked away as inaccessible.

The same would apply to accountants, banks and a myriad of other business organizations.

Accor Advantage Plus submits that:

- Business is able, in a robust manner, to handle any unwanted telemarketing calls.
- It is not in the economic interests of the nation to extend governmental protection to business from business.
- “Specific industry classifications” is unnecessarily restrictive for service providers, such as Accor Advantage Plus, that offer goods and services right across the public and private sectors.

Inclusion of Government

Accor Advantage Plus submits that the inclusion of government is not only an over-reaction but also has economic impacts by reducing/restricting marketing opportunities and is somewhat hypocritical.

Services, such as those offered by Accor Advantage Plus, can reduce overall government expenditure through the provision of lower accommodation and dining expenses.

No where in his second reading speech does the Minister acknowledge concern from government or provide details of inconvenience.

As government is an exempt organization under the DNCR legislation and can make unlimited telemarketing calls, it is somewhat hypocritical that organizations will be precluded from calling government while government can call not only organizations but also individuals.

“Opt-in-Opt-out”

Accor Advantage Plus submits that if an “opt-in” system was to be contemplated as far as business is concerned it would be impossible to implement.

The service Accor Advantage Plus provides its client/members necessitates initial contact to determine interest in the product.

Before any person can “opt-in”, an outline of the offered service must be given but, if an “opt-in” provision was included, it would be illegal to provide the information by which a person could decide to “opt-in”.