

June 14, 2006

Committee Secretary
Senate Environment, Communications, Information Technology and the Arts Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Email: ecita.sen@aph.gov.au

Re: Inquiry into the provisions of the Do Not Call Register Bill 2006

On behalf of Accor Advantage Plus, I write to make a submission to the above Inquiry. Accor Advantage Plus is a member of the Australian Direct Marketing Association and we are an organisation that conducts responsible telephone marketing practices. Accor Advantage Plus supports the submission made by the Association in relation to the provisions of the Do Not Call Register Bill 2006. Whereas, the Association's submission covers all aspects of the proposed legislation, Accor Advantage Plus seeks to make additional representations about a particular aspect of the proposed legislation.

In particular, Accor Advantage Plus is of the opinion that organisations such as itself that conduct telemarketing on a professional basis would be discriminated against if the proposed legislation maintained that an "opt in" decision of an existing client, consumer or customer was held to be valid for only three months whereas inclusion in the proposed "Do Not Call" register is for a period of three years.

As detailed in the background material below, Accor Advantage Plus organises and manages one of the most successful hospitality industry loyalty programs in the world. As a result, Accor Advantage Plus has developed a wide range of skills and experiences in all forms of direct marketing, including telemarketing. Our organisation is a major operator within the telemarketing industry and has a vested interest in seeing that that industry operates in a manner which will enhance its standing with individuals and consumers. Not to do so would be detrimental to our clients and our company.

Background:

Advantage Plus is a purpose-built company started 11 years ago to market the then-emerging Accor hotel groups' Discount Dining and Accommodation Loyalty Club program. Accor is now Australia's leading hotel group and one of the pre-eminent hotel

chains in the Asia-Pacific Region as well as being part of one of the world's leading chains.

are on a 12 month membership program. Additionally, Advantage Plus has 10,810 members in New Zealand and a further 16,934 across Asia, with 11,104 in Thailand, 3,980 in the Peoples Republic of China and 1,880 in Singapore.

Advantage Plus is actively engaged in increasing its membership numbers not only in Australia but elsewhere in the Asia-Pacific Region.

Advantage Plus membership is accepted at all Accor hotels and resorts in Australia and throughout the Asia Pacific Region, which include Sofitel, Grand Mercure, Novotel, Mercure, Ibis, All Seasons, Formule 1 and Club Med. This entails 234 hotels, of which 104 are in Australia.

Advantage Plus customer base in Australia is wide and extremely diverse. As there are no 'pre-qualifications' for membership, other than the desire to be able to use the dining and accommodation facilities at the best rate available members comes from across all sectors of Australian society as well as business memberships. Over 50% of sales of new memberships come from referrals of friends, relatives and business colleagues of existing members.

Advantage Plus operates eight, 25 seat, outbound call centres in Australia to service its Australian market. There is also a 10 seat Inbound Member Services call centre in Pymont, Sydney.

Locations are: Adelaide, Brisbane, Melbourne, Newcastle, Perth, Sunshine Coast (Maroochydore), Sydney (Chatswood) and Wollongong.

Take-up Percentage and Calls

Membership is on a 12 month basis and maintaining a high level of renewals is a priority. In striving to achieve the high rate of renewals, Advantage Plus in regular touch with its membership base and this ensures that the organisation is in tune with their aspirations.

The take-up renewal rate for the year 2004 was 67.25% -- a level well above the industry norm.

The Advantage Plus "Success Rate" from full presentations via three different types of calls is as follows:

- Cold Calls (unsolicited) one in seven or 14%,
- Referral Calls one in three or 33% and
- Renewal calls 67%.

The split up of the calls Advantage Plus originates is:

- Renewals 34%

- Referrals 20%
- Unsolicited 46%

Referrals

Just over 50% of Advantage Plus new membership sales come from referrals from existing members, a situation consistent over several years. In the past year, this has represented some 20,000 new sales. One in three referral call presentations by our telemarketing staff results in a membership sale, again above industry norm.

Use of Membership

Advantage Plus membership provided Accor hotels in Australia with over 350,000 room nights in 2004. Advantage Plus membership is Accor's biggest Leisure Guest segment.

Business to Business

All Advantage Plus outbound centres work two shifts from 8:30am to 12:30pm and 1:00pm to 5:00pm on weekdays only.

As a consequence of this policy, the majority of Advantage Plus calls are business to business, except for the instances where an existing member has provided a home number for a call referral or where information comes from existing Accor hotel guests.

Our contention:

If the Bill, as currently drafted, is not amended as far as the three month "opt in" provision is concerned then the proposed legislation will significantly hinder the ability of Accor Advantage Plus to continue its current operations, which is supported by our clients given our high renewal rates.

Yours sincerely,



Bob McCartney
Managing Director