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Media Release

AGL breaches law and calls on industry to stop doorknocking

20 May 2013

AGL Energy Limited (AGL) today acknowledged that on 1 September and 3 November 2011 its entities had breached the Australian Consumer Law (ACL) as a result of door-to-door salespeople engaging in conduct that was misleading, deceptive or likely to mislead or deceive.

The case was heard today in the Federal Court of Australia in Melbourne. AGL will be required to pay \$1.55 million for breaching the law.

Group General Manager Retail Energy, Stephen Mikkelsen, expressed his regret that the breach had occurred. He called on the industry to withdraw from doorknocking to protect consumers and improve the reputation of the industry.

"This case demonstrates how difficult it is to control what salespeople do when they are at people's premises. Even if a company puts significant training and compliance mechanisms in place, doorknocking remains a risky sales technique.

"Doorknocking also preys on susceptible segments of the community, such as the elderly and migrants. Those companies still undertaking the practice are doing harm to the energy sector's reputation."

Independent research commissioned by AGL and conducted by AMR, has shown that a substantial majority of households have negative attitudes towards door-to-door energy sales people.

"Our customers have told us they do not like doorknocking as a sales technique. We don't believe that doorknocking is the right thing to do by our customers which is why we have now stopped using doorknockers to sell energy to residential customers," said Mr Mikkelsen.

AGL announced in February this year that it would cease all unsolicited door-to-door energy sales activity to residential customers. This was complete by the end of March.

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About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.