Consumers and smart meters:

Delivering information to non-government organisations

Report to the Department of Primary Industries, Victoria

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Executive summary

This report documents the outcomes of a research project undertaken by the Consumer Utilities Advocacy Centre (CUAC) aimed at assessing the information needs of the community sector and business groups in relation to smart meters. With funding support from the Department of Primary Industries, CUAC consulted with a broad range of community sector and business representatives to determine current knowledge and perceptions of smart meters. The consultations also identified approaches to providing these groups with information and materials that would enable them to support their members and clients regarding their smart metering queries.

A clear finding of the research is that there exists a great deal of uncertainty and misunderstanding with regard to smart meters and their implications, the roll-out and the current moratorium on the mandatory reassignment of time-of-use pricing. In many cases, knowledge of smart meters and the roll-out is limited to concern – even fear – about the cost of the meters. The high level of confusion and anxiety indicates an immediate need for clear, factual information that improves consumer understanding of the roll-out and alleviates, to some extent, community concerns.

While policy, regulatory and industry uncertainty limits the information that can be provided to consumers at present, the research highlighted some key messages that can, and should, be disseminated immediately. Firstly, the consultations identified a strong need for accurate, clear information that addresses the questions:

- What is a smart meter?
- Why am I getting a smart meter?
- What will a smart meter mean for me?

The findings show that there is confusion about rising electricity costs and whether smart meters are the cause. Transparent information should therefore be made available to consumers on the costs associated with the meters including the quantum of charges, the nature of metering charges and how they appear on bills.

Clear messages must also be communicated regarding the moratorium on mandatory reassignment to time-of-use tariffs. Again, CUAC found significant confusion about the moratorium, with many participants unsure as to whether the smart meter roll-out itself has been stopped. It should be emphasised that the moratorium applies only to time-of-use pricing, and that work is currently underway to develop appropriate consumer protections. Consumers also need to know that an information and education campaign will precede any changes to tariff options.

Another focus of the research was on the manner in which information on smart meters should be delivered to community sector agencies so that they could assist their members and clients. There was a strong view that the first step should be increasing basic understanding amongst consumers and that this would be assisted by a government media campaign. Local television, radio and local newspapers were all flagged as appropriate media to build up this awareness with accurate messages. Non-text sources of information were favoured, in particular, for vulnerable consumers.

Several participants noted the successful communication campaign associated with the digital television switch-over in preparing communities for a significant technological change.

The community sector and business groups saw their role as an important one in building the understanding of their clients and members, based on their specific information needs. Participants identified that they need access to accurate information about smart meters so they can assist their clients and/or members if required.

Information forums were identified as a particularly good way of providing information to community welfare agencies. Fact sheets and information sources were suggested as appropriate options to help increase the understanding of agency staff. However, they suggested that simpler diagrammatical materials would be more appropriate for face-to-face discussion with their clients and should form part of the resources made available to these organisations. The report details a range of innovative resources identified through the consultations. The government should consider the provision of support to community organisations to run such forums as the roll-out continues and smart meter functions become available. A widely publicised telephone help line on smart meters was seen to be useful, and it was further suggested that it was important to pull together a number of sources of energy information in a website offering advice on choice, efficiency and concessions. It was also recognised that specific communications were required for culturally and linguistically diverse communities. The government should also consider options for the development of specifically targeted innovative materials to meet the needs of these organisations.

Throughout the course of CUAC's consultations it became clear that smart meters and time-of-use pricing are viewed by many as adding one more layer of complexity to an already complex retail energy market. Participants repeatedly raised the need for information to be provided that helps consumers to participate effectively in the market and make informed choices. While detail on time-of-use tariffs cannot yet be provided, further information on choice can be offered in advance of this. The report recommends the revision and renewal of the Your Choice campaign to better meet the information needs of consumers in making informed choices in their interests. This should include the enhancement of the existing price comparator tool to ensure that consumers can navigate a complex retail market that incorporates time-of-use tariffs.

Participants repeatedly argued that a link must be made between the smart meter roll-out and the government's energy efficiency agenda. The greater ability of consumers to monitor their consumption and thereby improve their energy efficiency was identified as a potential benefit of smart meters, and one that needs to be enabled and explained. Hence, a strategy is needed to quickly enable the Home Area Network (HAN) and consumption monitoring functions of smart meters. This provides tangible benefits to consumers and could yield significant efficiency gains. Appropriate information and education should accompany new smart meter functions, such as the HAN, becoming available. Small business participants indicated that they also have much to gain from energy efficiency and smart meters could prove useful tools in energy efficiency programs for these consumers. On the issue of HAN access, the report recommends further analysis be conducted into the benefits of providing In Home Displays to consumers and that consideration be given to the provision of support to low-income and vulnerable consumers to access the benefits of real time consumption information and the HAN.

Background and introduction

The Victorian smart meter roll-out

In July 2004, the Victorian Essential Services Commission (ESC) directed that manually read interval meters should be introduced in Victoria to replace the older accumulation meters that had been the mainstay of measuring electricity consumption for many years. Initially, it was intended that meters would be introduced on a new and replace basis.[1] However, following the findings of a cost benefit study commissioned in 2005, the Victorian Government decided to undertake an accelerated smart meter roll-out to all Victorian homes and businesses over a four year period starting in 2009. It was decided that these smart meters, or Advanced Metering Infrastructure, would supplant the mandated interval meters recommended by the ESC. The main difference between the smart meter and the ESC mandated interval meter was the ability for the distribution company to communicate with the meter remotely via a complementary communications network.

Smart meters, unlike the old accumulation meters, measure electricity consumption every half hour. The Victorian variants can communicate this half hourly consumption information to the distributor for the purposes of billing. In addition to this, the Victorian meters will allow customers to be disconnected and reconnected to electricity supply remotely. It will no longer be necessary to send a technician to a property to perform this work. The smart meters will also be able to communicate information about power outages to the distribution companies. These functions are the regulated minimum functions of smart meters.

Potentially, the Victorian meters will be able to offer a considerably greater range of functions. These could include, for example, the ability to provide real time consumption and price information to consumers through a wireless network and the ability to remotely control appliances. Another potential function is the ability of electricity providers to restrict electricity supply to a consumer.

By measuring electricity consumption every half hour, smart meters also enable the introduction of time-of-use pricing. Time-of-use pricing allows different prices to be charged for energy consumption during periods of peak and off-peak consumption. Such a pricing structure better reflects the actual cost of providing electricity at different times of the day. Supplying peak demand requires higher capacity electricity wires and more generation capacity to be switched on. Reducing peak demand can reduce some of the associated costs.

In October 2007, the government established the Advanced Metering Infrastructure Industry Steering Committee (AMI ISC) to oversee implementation of the smart metering project. The AMI ISC was mainly comprised of industry and was focussed on the technical aspects of achieving the roll-out, rather than the policy and regulatory issues.

The government also introduced enabling legislation for the roll-out and established the initial regulatory framework for the roll-out through an Order in Council under the *Electricity Industry Act*.

[1] Victorian Auditor General's Report (2009) *Towards a 'smart grid'- the roll-out of Advanced Metering Infrastructure,* p. 3

This established the framework for businesses to recover the costs of the roll-out and the installation targets. Subsequent to this, in October 2009, the Australian Energy Regulator (AER) released its decision on cost recovery for the smart meters. It was determined that on average each Victorian residential consumer's bills would increase by $67 in 2010 as a result of the smart meter roll-out and by $76 in 2011.

During 2009, it was clear that there was increasing community unease about the roll-out of smart meters. A number of reports including *Customer Protections and Smart Meters: Issues for Victoria* by the St Vincent de Paul Society and *Towards a 'smart grid' – the roll-out of Advanced Metering Infrastructure* by the Victorian Auditor General provided focus for community concerns. In particular, the St Vincent de Paul report highlighted a number of consumer issues associated with the roll-out including potential equity impacts of time-of-use pricing.

These reports supported the long held positions of consumer groups, including the Consumer Utilities Advocacy Centre (CUAC), that new policy and regulatory frameworks were required to ensure the protection of Victorian consumers in a retail energy market in the presence of smart meters. CUAC, for example, highlighted the need to improve customer protections in order to ensure that appropriate data security provisions were provided in regulation and the need to review the adequacy of concessions in light of possible new tariffs.

In response to feedback from consumer groups and community concerns, the Victorian Minister for Energy and Resources, the Hon. Peter Batchelor MP, announced in February 2010 that the ESC would conduct a full review of smart meter consumer regulations. In March 2010, the Victorian Government further committed to implementing an immediate moratorium on the mandatory reassignment of consumers to time-of-use tariffs so that industry, government and consumer groups could work to:

- ensure the current best practice consumer protection framework for Victorians continued to apply in conjunction with new tariffs;
- consider the need for electricity concessions in light of the costs of the roll-out and potential equity impacts of new tariff arrangements;
- examine options for the introduction of time-of-use pricing arrangements, including a pilot pricing trial to assess impacts;
- regularly review the impact of time-of-use tariffs on Victorian families; and
- investigate the need for an extensive consumer education campaign to provide clear information about smart meters, the new tariffs and what this means for Victorians.[2]

To facilitate this, the Minister also announced a new governance arrangement for the roll-out that would feature three new committees in addition to the established AMI ISC and come under the authority of the Minister and the Department of Primary Industries (DPI). These committees are:

- a Consumer Consultative Working Group chaired by the Minister and comprised of consumer advocates, relevant regulators and observers from the government and industry;
- a Policy Committee chaired by the Secretary of the Department of Primary Industries (DPI) with members drawn from government, consumer groups, regulators and industry; and

2 Batchelor, Peter (2010) Moratorium to ensure smooth smart meter roll-out, Media Release from the Minister for Energy and Resources, 14 March 2010.

- a Communications Integration Working Group to manage communications related to the roll-out.

At present the committees are still deliberating on the appropriate policies and communication strategies to accompany the roll-out of smart meters. However, the roll-out continues and there is an increasingly urgent need to ensure that consumers are adequately prepared for the installation of their smart meters. This can then be complemented by the development of appropriate policies to ensure that distributional impacts, among other things, are addressed by policy makers prior to the introduction of time-of-use pricing.

The need for community information

During 2009, CUAC became increasingly concerned about the additional complexity that smart meters would bring to Victoria's already complex retail electricity market. A number of organisations on CUAC's Reference Group along with other organisations in CUAC's network began to highlight the level of uncertainty in the community as to what smart meters would mean for their clients/members. CUAC was concerned that many consumers were already finding it difficult to participate in the highly competitive Victorian retail market. Consumers confronted with direct marketing or complex dual fuel market offers had a limited capability to determine whether or not the offers they were being presented with would make them better off. CUAC was concerned that consumer confusion around these retail market issues was being compounded by relatively widespread consumer confusion and uncertainty about the smart meter roll-out.

Feedback from organisations and individual consumers indicated that many in the community did not know why they were receiving a smart meter, how they could use the smart meter once they received it and how the smart meter may impact on their energy bills. There was a widespread feeling of uncertainty, particularly among many of the more vulnerable consumer groups including older Victorians and Victorians from culturally and linguistically diverse backgrounds. CUAC understood that this uncertainty was being mirrored in feedback received by industry, the Energy and Water Ombudsman (Victoria) (EWOV) and the government as the roll-out progressed.

CUAC has long advocated for consumer education and information on energy issues. Informed consumers participate more effectively in the market and increase competitive pressure. A deregulated market such as Victoria's needs active and informed consumers to remain effective. Consumers also need to feel confident and comfortable with market arrangements to participate effectively. This issue extends to the smart meter roll-out. Consumers need to be informed and educated about the smart meter and its implications in order to feel confident that the energy market is developing in accordance with their interests. The uncertainty and lack of knowledge about smart meters is not in the long term interest of Victorian consumers.

In the retail energy sector, it is of significant importance that there are independent and trusted sources of advice to complement the advice provided by industry participants. Government, the community sector, business representative organisations and EWOV all have a significant role to play in providing this information. Consumers and their representatives, who are often sceptical of information provided by industry, have frequently indicated to CUAC that additional clear, practical and trustworthy information on energy and issues associated with energy would be very useful.

This project

In light of the feedback provided to CUAC on the need for community information, CUAC developed a proposal to undertake the current project with funding support from DPI. The overall project objective is to provide information to Victorian non-government organisations so that they can respond to the needs of their clients/members about the smart meter roll-out. Essentially, CUAC saw that community organisations, case workers and business representative organisations were a good conduit for the provision of reliable, reassuring and trusted information to Victorian consumers.

In order to provide useful tools and support to these groups, it was necessary to:

- get a sense of their current knowledge of the roll-out; and
- identify the appropriate information content and innovative approaches to information delivery that could assist them support their clients/members.

This would be achieved through a research stage and this report outlines the findings of this research stage of the project. As part of this stage, CUAC has consulted a wide variety of community and business representative organisations to seek their views and knowledge on smart meters, the Victorian roll-out and approaches to ensuring that they and their clients/members are well informed about the forthcoming changes to Victoria's energy market. This report outlines the details of CUAC's consultations and a number of recommendations that clearly emerged from those consultations.

During the course of the consultation process many consumer organisations indicated the need for policy/regulatory improvements. Despite the fact that this was not within the original scope of the work, these policy ideas/suggestions were obviously a substantial concern for participants. Despite the fact that the topic of consultation was on information, these were continually raised and returned to by individuals consulted in this process. As a result, they are also included and analysed in this report in order to support the ongoing work on the policy and regulatory framework appropriate to a Victorian retail energy market with smart meters. This analysis can be found in Appendix I of this report.

This report

This report is divided into five further sections.

Chapter 2 examines the methodology used to assess the information needs of Victorian non-government organisations.

Chapter 3 outlines and analyses feedback from Victorian non-government organisations and business groups as to the most appropriate information content to educate consumers about smart meters and the Victorian roll-out. In essence, this section analyses the ‘what’.

Chapter 4 examines appropriate methods to deliver information to Victorian consumers including approaches to working with non-government organisations. In essence, this section analyses the 'how'.

Chapter 6 provides a summary of conclusions and recommendations made in this report.

Appendix I analyses the policy and regulatory issues that were of significance to many stakeholders.

Appendix II and III provide the text of CUAC's survey and the list of organisations that were formally consulted.

Methodology

As outlined in the introduction, this report reflects the findings of the research stage of a project that ultimately aims to provide community organisations and business representative agencies with information and tools to support their clients/members with smart metering. This chapter details the methodology used for the research stage of the project.

Scope

The scope for this work was refined following feedback received by CUAC from non-government stakeholders as well as DPI. The project aims to seek the views of non-government organisations on how to ensure that the community is prepared for, and can make the most of, smart meters. This can then be developed into a set of recommendations for delivering communications to Victorian consumers generally and to non-government agencies specifically. Additionally, the recommendations in this report can be used to inform the second stage of the project that involves the development of information materials and tools to assist workers in non-government organisations to inform their clients/members about the smart metering roll-out in Victoria.

It is important to stress that the research has not sought to canvass or reflect the views of a large number of end users of electricity. Instead, this project has solely focussed on non-government agencies that include:

- business representative organisations such as the Victorian Employers' Chamber of Commerce and Industry (VECCI);
- peak bodies such as the Financial and Consumer Rights Council (FCRC) and the Ethnic Communities Council of Victoria; and
- organisations that provide welfare and support services to Victorians experiencing disadvantage or to other potentially vulnerable consumers.

In developing this work, it was thought that these groups would be in a position to provide feedback on the experiences of their members/clients as well as provide information on how communications can effectively target their clients/members. The findings of this report were shaped through consultation with employees of these non-government agencies.

While views on the policy and regulatory regime to support smart meters were not explicitly sought as part of the work in this project, these were frequently raised and discussed by people consulted. Many participants indicated that policy/regulatory changes would be required to facilitate better consumer education and communication. Others, upon hearing about what smart meters could do, were interested to provide ideas on necessary policy adjustments. While policy was not part of the scope of this work as it was originally conceived, CUAC has taken the view that the views of stakeholders on these matters are important and should be communicated to DPI as part of this report. Consequently, an analysis of these issues is included in Appendix I of this report.

Information gathering

As discussed, the findings of this report are based on information gathered from consultations undertaken by CUAC with a range of relevant stakeholders from non-government agencies. CUAC adopted a two phase approach to the consultation process. The first phase consisted of a survey. The second phase consisted of three consultative forums. One consultative forum was held with business representative organisations in Melbourne and two forums were held with representatives of community sector organisations in Bendigo and Melbourne.

The survey

A survey was developed by CUAC and sent to a range of organisations with which CUAC has a well developed relationship. The purpose of this survey was to establish some baseline information as to how non-government organisations in Victoria were considering the issue of smart meters and to get some broad ideas as to possible approaches to fulfil the information needs of these organisations. CUAC asked respondents to provide information on their current knowledge of smart meters, the impact smart meters would have on their clients and what may be appropriate approaches to information provision and communication. On some issues respondents were asked to comment or elaborate on their responses in more detail. Results from the survey were used to design the agenda and content for the consultative forums as well as to provide information to support the recommendations of this report.

CUAC received a total of 28 complete survey responses with some survey questions resulting in higher response rates. Responses were drawn from a variety of different types of respondents across the organisations surveyed including from executive staff, case workers and policy staff. The full text of the survey is provided at Appendix II.

Business representative organisation forum

On 14 July 2010, CUAC held a consultative forum with representatives of VECCI, the Victorian Farmers Federation and the Property Council of Australia on smart meters and approaches to communicating useful information on smart meters to their members. The forum was held at the VECCI offices in East Melbourne. The forum was designed in the form of a two way information exchange. CUAC provided up-to-date information on the Victorian smart meter roll-out and associated policy developments. A representative of SP AusNet provided information on the roll-out from the perspective of a distribution company. Participants raised a number of issues with regards to policy and regulatory questions. The session finished with a detailed discussion of what communication and support for business was needed as the roll-out continues. The results from this forum provided useful data to develop recommendations about business information needs as well as to communications and policy ideas more generally.

Community sector information forums

CUAC hosted two community sector consultative forums to gather information to support this work. The first was held in Bendigo on 15 July 2010 at BEST Community Development. This session was attended by 10 people from financial counselling services, local government and from an organisation providing in-home support to older people. The second forum was held in Melbourne

on 20 July 2010 at Ross House. This session was attended by 42 people from a wide variety of organisations including organisations that provide services to:

- people experiencing financial disadvantage;
- culturally and linguistically diverse communities;
- people with a disability; and
- older people.

Environmental organisations, community housing organisations, community legal centres and large social welfare agencies were all represented at the forum. While most attendees at the Melbourne forum were involved in providing direct services to clients, some attendees worked in policy development and advocacy.

Again, for both community sector forums, the format adopted had a focus on information exchange. CUAC provided a presentation on smart meters, the Victorian roll-out and associated policy and regulatory developments. At the Bendigo forum, the presentation was followed by a quick brainstorm about smart meters and impacts on clients in order to get a sense of attitudes and knowledge about smart meters. However, at the Melbourne forum, the brainstorm was moved to the start of the session in order to get an untainted idea as to the participants' views and knowledge on smart meters. This was followed by a question and answer session which allowed participants to ask questions of CUAC, the Energy and Water Ombudsman (Victoria) (EWOV) or the Alternative Technology Association (ATA). For the last half of the forum, participants divided into smaller groups to discuss communication and information needs with a table facilitator drawn from CUAC, EWOV or the ATA.

The ideas and views expressed in these forums were notated and then analysed to develop the recommendations of this report.

Further consultations

Subsequent to the formal consultations outlined above, CUAC has been invited speak at a number of different community forums including a meeting of dairy farmers in western Victoria, a meeting of the Indigenous Homelessness Network and a meeting of the Western and Central regions' network for financial counsellors. At these forums, further feedback was provided on the issue of smart meters and much was revealed about the level of knowledge among participants. Feedback from these forums reinforced the findings of this report and have been considered and incorporated where appropriate.

Analysis and development of recommendations

Following the information gathering phase, CUAC had accumulated a sizeable pool of information from which to develop ideas in relation to:

- appropriate information provision to, and support for, non-government agencies to help them provide advice to their clients/members;
- useful approaches to communication strategies to reach Victorian consumers generally on the issue of smart meters;

- different channels for information provision that may help the Victorian Government and consumer groups support consumers that otherwise would not be reached by standard communications; and
- appropriate policy and regulatory adjustments to ensure a smoother roll-out and the protection of customers in a retail electricity market with smart meters.

CUAC staff have collectively and individually analysed the information that they collected as part of the information gathering process in order to develop the recommendations found in this report. Through this process of review and collaboration it was clear that certain messages were common among stakeholders consulted as part of this work. The recommendations provided here are provided in the context of the ongoing AMI governance process. CUAC staff have aimed to ensure that the information provided as part of the consultation has been translated into practical communication and policy ideas that should be able to be included to improve the roll-out and operation of smart meters.

Content of information for consumers

This chapter identifies some of the issues of information content for Victorian consumers about the smart meter roll-out. Feedback from participants at forums seemed to indicate that the content of information that they would need to support their clients and members was largely the same as the content requirements of end users. Many participants recognised that they had an important role in mediating information that was intended for end users.

It is important to note that the development of more appropriate information content is somewhat hindered by ongoing policy, regulatory and industry uncertainty. Taking the time to get the policy settings right is obviously of benefit to consumers. Given this, it would be appropriate to conduct a follow up consultation exercise to get consumer views on information content when there is more certainty as to the exact consumer implications of smart metering.

Having developed the appropriate content for consumers, attention can then turn to the delivery of this content. This issue will be addressed in the subsequent chapter.

Understanding of smart meters

Throughout the course of the consultation process, CUAC sought to assess the level of knowledge and understanding of smart meters and related issues. CUAC's survey included a number of items dealing with respondents' existing knowledge of smart meters and the Victorian roll-out. All survey respondents indicated that they had heard about the introduction of smart meters in Victoria, suggesting broad awareness of the roll-out (at least at a basic level) among community sector workers.

As part of the survey component of the project, respondents were asked to identify the information sources through which they had heard about the smart meter roll-out. Figure 1 shows the number of sources from which respondents had obtained information about the roll-out.

Figure 1: Number of smart meter information sources

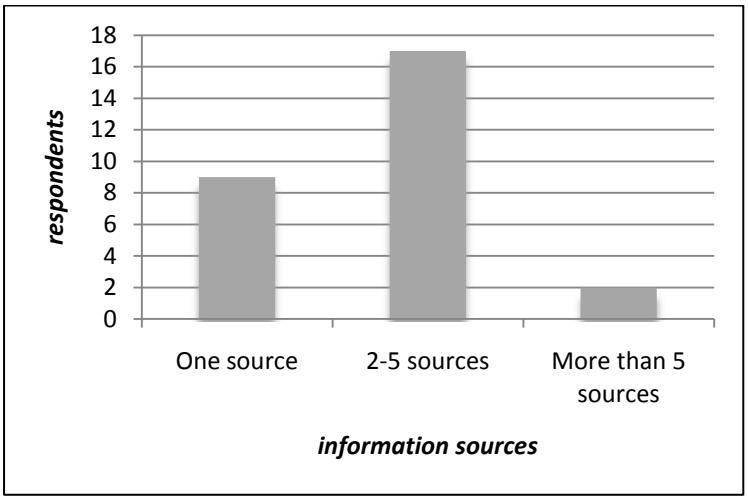


Figure 1 shows that most respondents had heard about smart meters from a number of different information sources, with 17 respondents (61%) consulting between two and five sources and a further two respondents (7%) hearing about smart meters from more than five sources.

Table 1 shows the key information sources from which respondents had heard about the smart meter roll-out.

Table 1: Smart meter information sources

Information source	Respondents*	
	no.	per cent
Newspaper	15	54%
Informal/personal networks	13	46%
Government communications	11	39%
TV	10	36%
Community agency	9	32%
Radio	7	25%
Other	6	21%
Online	5	18%

* Respondents were able to select more than one response

Responses show that the mass media was a major source of information about the smart meter roll-out. Just over half (54%) of respondents had heard about the roll-out in a newspaper, with TV and radio informing 10 (36%) and 7 (25%) respondents respectively. In total, 61 per cent of respondents had heard about the roll-out from at least one mass media channel (newspaper, television and/or radio).

Informal information channels and personal networks were also a key source of information about the roll-out, with 46 per cent of respondents indicating that they had heard about the roll-out through these channels. Open-ended answers show that professional networks were also a source of information for a number of participants. One respondent indicated that they had heard about smart meters through their own electricity bill.

While most participants had heard of smart meters and the smart meter roll-out, widespread community misunderstanding and uncertainty was evident, particularly in relation to:

- smart meters;
- the implications of smart meters for clients/members of the stakeholders who were consulted;
- the moratorium and what it means;
- the costs associated with smart meters both current and future;
- the benefits to consumers of smart meters; and
- time-of-use pricing, how it will apply and what it will mean for consumers.

In the survey, respondents were asked to describe, in their own words, their current knowledge of smart meters. Responses to this item varied very markedly. Some respondents had a very limited or incorrect knowledge of smart meters, as illustrated by the following responses:

> *"Don't know much other than it is going to cost us a fortune"*
>
> *"read meter every few seconds ti [sic] give you power at the cheapest rate"*
>
> *"confused"*
>
> *"I understand minimal [sic], but I believe they are costing huge $$, as clients are complaining about their costs. I think they read the usage every 5 minutes, and this is meant to inform each household how they can reduce their usage. Also, the reading can be taken via an office, instead of a human being stepping onto your property to take each household reading."*

In contrast, a number of other respondents (including those in policy roles) displayed a detailed and sophisticated understanding of smart meters and the Victorian roll-out, including meter functionality, time-of-use tariffs, metering charges and potential benefits, disadvantages and implications.

Similarly, many of the participants consulted in information forums did not have a detailed and, in many cases, even a rudimentary understanding of smart meters and the roll-out. Many participants indicated that the extent of their knowledge was that the meters were being installed because of government policy and that they would impose costs through higher electricity prices. Some stakeholders ventured further in saying that benefits from smart meters were confined to the electricity industry and would not flow to consumers. A number of stakeholders informed CUAC that they had no idea of what the moratorium on time-of-use prices actually meant. They were unsure as to whether this meant they were actually going to receive a new meter or not.

Case study: CUAC presentation to Victorian Indigenous Homeless Network

CUAC started an information session on smart meters to over 40 housing support workers from across Victoria by asking the question "does anyone here know anything about smart meters or the smart meter roll-out? If so give me a show of hands." Not one person raised their hand. However, after speaking with the group for a few minutes it was clear that they were keen to know more. CUAC has attended two recent regional meetings and has been asked to continue to provide more information.

It was also clear that significant confusion had been caused by virtue of a smart metering charge being present on some bills at the start of 2010 and not on others. Many stakeholders, particularly from the welfare sector, indicated that they had been questioned about this by their clients and had found it difficult to explain the changes to their clients. Even in the absence of a specifically identified smart metering charge, many budget conscious clients noticed an increase in their bill and had asked staff at welfare agencies about what it meant. Stakeholders expressed the view that they had great difficulty in explaining what it meant, why the new charge had been levied and what the smart meter would bring.

Notably, in the survey, many participants in describing what they knew about smart meters mentioned time-of-use or peak pricing. However, there was uncertainty among some forum participants about what time-of-use pricing was and what it would mean for prices. However, this uncertainty is shared even by those who work on the issues of smart meters specifically as there is still a lack of clarity as to how tariffs will be designed and implemented.

A further interesting feature of the consultations revealed that, while consumers were uncertain about what smart meters are or could do, there was a widespread negative perception of the roll-out. For example, in response to a survey question focused on respondents' knowledge of smart meters, answers also gave insight into respondents' thoughts and feelings in relation to the roll-out. Most responses suggested a level of dissatisfaction with the smart meter roll-out, and/or scepticism about the purported consumer benefits of smart meters.

Survey respondents were asked whether, in their opinion, their organisation's clients or members were likely to be affected by the introduction of smart metering. The large majority (86% or 24 respondents) indicated that their clients would be affected, while two respondents (7%) were unsure and a further two respondents felt that smart metering would not affect their clients.

An open-ended question sought respondents' views on the ways in which their clients or members might be affected. While respondents were free to identify positive or negative implications for clients, few respondents identified potential benefits (summarised in Figure 2).

Figure 2: Impacts of smart meters

Negative	Positive
• higher heating and cooling costs in locations with extreme weather conditions • inability to maximise potential benefits of time-of-use pricing due to limited literacy or understanding • time-consuming learning required by small businesses • higher charges for clients who must use electricity at peak times • solar owners 'forced' onto time-of-use tariffs • energy efficient consumers unable to recoup metering charges through further behaviour change	• ability to use smart meter functions to understand and manage use • ability to change usage times to maximise affordability • potential for innovation in information provision to consumers

- complex contracts and lack of information
- exacerbating financial hardship
- increased metering charges
- increased charges to businesses that cannot shift load
- higher costs increasing payment difficulty and potentially disconnections
- more complex billing issues
- health risks associated with reducing usage at peak times

Again, at forums, it seemed that most participants only associated the smart meter roll-out with increased costs for consumers. Often, upon receiving factual information through the CUAC forums, the negative perception of smart meters and the roll-out was, to some extent, ameliorated. This was demonstrated at consultations by the questions and comments that were asked by participants in the early stages of the forums as opposed to questions and comments received later on. A number of participants indicated that, while they were not convinced of the overall benefit, they could see some benefits. Others identified that they could see possible applications of potential smart meter functions for the benefit of some consumers.

Two groups of stakeholders that had more well-developed knowledge of smart meters were the business representative organisations and the environmental organisations with an interest in energy policy. However, the business groups expressed the view that many of their members had very little knowledge of the roll-out of smart meters and were extremely time poor. As a result, it was suggested that small to medium businesses would find it difficult to make informed decisions on different retail products that will become available once smart meters are installed. Environment groups indicated that their members and supporters who had installed distributed generation or substantially improved the energy efficiency of their premises may well have an understanding of smart metering and what the technology was capable of.

Stakeholders from the social welfare sector suggested that misunderstandings and uncertainty about the smart meter roll-out have caused fear among certain vulnerable consumer groups. It is important to ensure that all Victorians understand the full implications of the roll-out and the policy process that accompanies it. Older consumers, culturally and linguistically diverse consumers and consumers experiencing disadvantage were more likely to be concerned or even fearful of the implications of smart metering. It was important to ensure that these groups are provided with appropriate information to facilitate understanding and decrease anxiety levels.

Overall there was significant consensus that more needed to be done now to inform consumers about smart meters in order to allay community fears. It was also broadly agreed that information must continue as the different possibilities, such as home area networks and time-of-use pricing, became available.

Findings and recommendations

There is widespread uncertainty among workers in community organisations about what smart meters are and what they do.

Stakeholders consulted often had a negative perception of smart meters despite a limited understanding of their potential functions. Upon hearing the potential applications of smart meters, negative perceptions of the roll-out were often somewhat ameliorated.

Community sector stakeholders indicated that uncertainty about cost implications has led to fear among certain vulnerable consumer groups.

Immediate steps should be taken to inform consumers about smart metering and address the consumer uncertainty about the roll-out and what it means.

The need for simplicity

A clear message from community and business forums was that simplicity in consumer information is desirable where possible. Although the energy market and smart metering issues are complex, it is crucial to ensure that information content that is developed is simple and easily understood by all consumers. Feedback from participants indicated that a source of consumer misunderstanding was complex or mixed messages coming from government and the media. There was a strong view that simple and clear messages were needed to cut through this confusion. Simple messaging needs to be a significant consideration as information content on smart meters is developed further.

Findings and recommendations

Participants in consultations indicated the need, and their preference, for simple information.

In providing further information on smart meters, simplicity is crucially important.

Addressing immediate consumer concerns: Three basic questions

Earlier analysis raises the question of what the Victorian public needs to know, when they need to be informed and how information content can be appropriate for all Victorian consumers.

To date it seems that much of the knowledge that Victorian consumers have on smart metering stems from media coverage of the issue. This has been supplemented in some instances by communications from the government and distribution businesses in the lead up to a customer's smart meter installation. However, it would seem that these communications had failed to lead to significant consumer knowledge as to the purpose of the smart meter roll-out.

The main question that will be addressed in this section is what information should be provided to consumers immediately to allay community concerns. The next section will discuss the necessary content of other information provided to consumers.

Nearly all participants at the community sector forums indicated that there was an immediate need to improve consumer understanding of the basics of smart metering. Through stakeholder feedback it seems that information content should be developed in response to the following three basic consumer questions:

- what is a smart meter?
- why am I getting a smart meter?
- what will a smart meter mean for me?

Much of the feedback received from community sector forums indicated that addressing these three questions for all Victorian consumers would go a long way towards addressing community uncertainty and fear. For example, 82 per cent of survey respondents indicated that this last question is an important question to answer for consumers in relation to the Victorian roll-out. Admittedly, given the complexity of smart meters and what they can do, developing simple responses to these questions is difficult. Answers to the third question, for example, will be dependent on the developments in energy policy and regulation including the moratorium. However, this does not preclude the development of new information content that addresses these questions in a way that satisfies Victorian consumers to a greater extent than currently available information. The currently available information provided by distribution companies, the government and retail businesses has attempted to address these questions. However, participants indicated at consultations that these attempts had little resonance with consumers.

The question, therefore, is what information content should be included to address these questions in a way that is more meaningful to consumers. Forum participants provided a bounty of ideas on this topic. However, a consistent theme emerged. Most participants indicated that information needed to provide a connection to the consumer's actual experience and understanding of electricity.

It was the contention of many participants at the forums that information content needed to become more digestible from a consumer perspective and more clearly linked to benefits that can be realised through the actions of the customer rather than as the result of actions taken remotely by faceless individuals in a distribution company. Similar comments suggested that it was unlikely that consumers would have any great interest in a broader cost benefit analysis that analysed economy wide costs and benefits. It was suggested that consumers would prefer information about how smart meters could deliver a benefit to them as individual consumers, given that they were going to receive the meter anyway.

Returning to the three basic questions mentioned above it is possible to analyse how some of the existing consumer information materials are inadequate. The existing information content around why consumers are getting smart meters and what smart meters mean for consumers is not sufficiently detailed or well targeted for the provision of meaningful and practical information to Victorian consumers. Existing information on smart meters tends to inform consumers that the reason they are getting a smart meter is to provide more information about consumption and costs but also to provide a whole array of benefits to network businesses. While these communication materials imply that these benefits will at some stage be passed on to consumers, this future event is intangible and abstract. It also goes beyond the limited understanding that many consumers have of the electricity supply system.

Direct benefits that are included in information materials do not seem to resonate with consumers. For example, benefits such as remote disconnection and reconnection are not of great consequence to most consumers as most move house infrequently. Similarly, issues of supply quality and reliability are less of an issue for consumers because they already expect high standards in this area and regulations to protect them in case of poor quality and reliability. Information on benefits on these issues does not seem to convince consumers that the roll-out is in their interest.

Many of the stakeholders consulted by CUAC indicate that their members and clients do not really care about benefits associated with improving the electricity network. Consumers on the whole seemed content with the fact that when you switch on the light, the light comes on. Discussion of network benefits and smart grids did not provide any indication as to how this basic interaction that the consumer currently has with the electricity supply system would change for the better. Most participants indicated that they were content with network function and could not see any reason for the upgrade. This all underscores the issue that the current information on how the new meter may provide a tangible and meaningful direct benefit to the consumers is inadequate.

Part of the problem is that there is still uncertainty as to how and when some of the direct consumer benefits, particularly the ability of consumers to monitor and manage consumption, will become available.[3] It is difficult, therefore, to provide information about these direct benefits. Consumers are told that they will be able to use the smart meter to monitor consumption and improve efficiency but do not then receive any follow up information to indicate how this might occur. This hinders the ability of current communications to answer the question "why am I getting a smart meter?" in a way that provides satisfaction to consumers. This underscores the need to empower consumers to use some of the possible functions embedded in the smart meter quickly. It also strongly underscores the need for the government to put in place policies that ensure that consumers can access useful data and information from smart meters in the near future.

On the question of "what will a smart meter mean for me?", the current information seems to fail to address the crucial questions of cost and a discussion of potential uses of the smart meter in a meaningful way. The question "what will a smart meter mean for me?" cannot be separated from the issue of cost and, in particular, the direct costs of the smart meter to the consumer. However, in the letter sent by distribution businesses and the Victorian Government to consumers receiving smart meters there is no mention of the direct consumer cost of the roll-out. This is despite the fact that many consumers have received information about costs on bills or from external sources such as the media. This serves to undermine other communications from government and business because it appears that this aspect of the roll-out is being deliberately hidden from the end user. The consumer has to search through the DPI website or other sources to find information on smart meter costs. Many consumers would not have the time or inclination to do this and, therefore, rely on media information. Stakeholders at the forum all indicated that improving the clarity and honesty of communications on issues around cost, individual benefits and time-of-use tariffs would enhance consumer certainty and understanding.

Community sector participants indicated that it was the issue of cost that was most often raised by their clients and members. They indicated that it was not possible to unpack smart meter costs from

[3] The need to quickly enable consumer access to consumption monitoring functions is dealt with later in this report.

other potential drivers of price increases because there was no easily accessible information about exactly how much a consumers bill should be impacted by the smart meter roll-out. As a result, some consumers and case workers have inaccurately attributed bill increases to smart meters when there are other causes. Participants from both the community sector and business indicated that accurate and timely information on smart meter related costs was necessary so that appropriate bill analysis was possible by consumers and anyone who may be representing their interests.

Case study: Financial Counsellor, metropolitan Melbourne

"Almost without exception, my clients present with payment difficulties related to their energy bills. Certainly this is a bigger problem in my agency than credit card debt. But clients are also facing high bills and can't understand what is causing these to be so high. Until today's forum I didn't know what the smart meters cost and what this charge was contributing to my clients' bills."

It was interesting to note that many participants at CUAC's forums did not know that there was already a charge for metering prior to the roll-out. Participants did not know that metering charges were part of the regulated distribution charges. Communications on cost could emphasise the fact that the consumer's old meter was never free and customers have always paid for such infrastructure.

As well as offering a clear explanation of smart meter costs, communications also need to include messages about how these costs are being recovered and who is responsible for paying them. CUAC encountered a great deal of confusion in this area, particularly in relation to tenants. This misunderstanding and uncertainty about tenant and landlord responsibility for metering charges is probably related to broader lack of understanding of the way in which consumers pay for energy infrastructure. Messages about the costs of the smart meter rollout should explain that charges are recovered through account holders' bills. Confusion about the one-off or continuing nature of smart meter costs also highlights the need to describe clearly the costs of the rollout over time.

Findings and recommendations

It was clear from the forums that consumers needed information on three basic questions. Stakeholders were of the view that not enough information had been provided to the community on these questions.

The questions that needed answering were:

- What is a smart meter?
- Why am I getting a smart meter?
- What will a smart meter mean for me? (with a particular emphasis on immediate costs)

The most common issue raised by consumers with community workers was the issue of cost. This needs clarification through clear and accurate information.

Price rises that are not a result of smart meter will be blamed on smart meters if there is not transparency about cost. Consumers need to be aware of the real cost implications of the smart meter roll-out to understand what they are paying for.

Participants were not generally aware that they already paid for metering services prior to the smart meter roll-out as part of their distribution charges.

It is important to link smart metering information content to consumer experience and understanding of energy.

A renewed effort is needed to accurately communicate to consumers the direct costs of the smart meter roll-out and the associated impact on bills.

What is the moratorium?

A further source of consumer uncertainty relates to the moratorium on time-of-use pricing. Much of the information on the moratorium in the community is a result of mistaken or misleading media reporting that the moratorium on time-of-use pricing is, in fact, a moratorium on the roll-out of smart meters. This caused consumer uncertainty and concern when the smart meters continued to be rolled out and appear in people's homes and businesses. This ongoing uncertainty in the community was evident among participants in the community sector forum. A number of participants did not understand that the moratorium only applied to tariff reassignments and not the actual smart meter installations. It is concerning that this misunderstanding is prevalent among workers who need to be sufficiently well-informed to help vulnerable consumers. It is important to provide information to the community that clarifies the meaning of the moratorium.

Information on the moratorium could be coupled with information on tariff choices. Many stakeholders at the forums were concerned about the implications of time-of-use pricing. Providing the clear message that flat tariff options will continue to be available would serve to reduce fear and uncertainty among large sections of the community about smart meters.

Additionally, the government needs to make clear that the moratorium is part of a process aimed at ensuring that appropriate consumer protections are in place for all Victorian consumers before they are exposed to significant changes as a result of smart meters.

Findings and recommendations

Many participants indicated that they did not know what the moratorium was. If participants expressed knowledge of the moratorium, their understanding was usually that meter installations had ceased.

Information on the moratorium needs to be made more widely available. An information or media campaign is required to achieve this.

Link information on the moratorium to information on the decision to continue to allow choice between time-of-use and flat tariff options and government work to ensure the establishment of appropriate consumer protections.

Providing further information

Obviously, many consumers will want information that goes beyond the three questions identified above. It is important that more detailed information is available if consumers wish to seek it out.

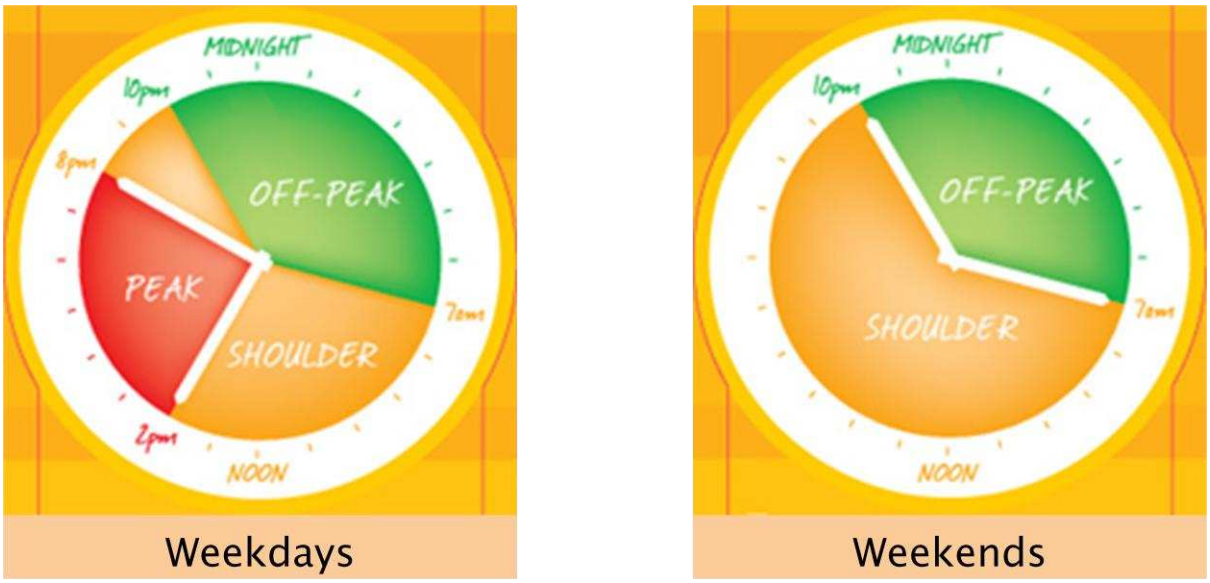
The issue of smart meters and electricity markets is very complex and it is difficult to simplify some of the more complex ideas into content that is useful to end users.

It was suggested by a number of participants at forums that layering information is an appropriate approach to providing the more detailed content. Having addressed the three basic questions, consumers have the facts and certainty that is required to pursue additional information if they so wish.

Participants consulted by CUAC did not have in-depth knowledge of smart metering and the roll-out. It was not realistic to expect them to provide detailed analysis of the information content that was required to provide the additional layers needed by consumers. However, many participants constantly returned to the theme that for information to resonate it must have some direct relationship or impact with activities that a consumer will undertake day-to-day in their home or business. Without this connection, information would fail to reach the target audience.

At the community sector forums, CUAC displayed a graphic that has been used by Energy Australia on its website and on fridge magnets to convey to consumers the peak and off-peak times in their time-of-use tariff in New South Wales. While this tool is only relevant to time-of-use tariffs, it was provided to give an idea as to the types of information tools that could be designed. A significant number of participants indicated that this type of content is a really effective way of condensing a complex concept into an extraordinarily simple tool. Praise for this information device was not universal among participants. However, the positive feedback received from participants on this content suggests that similar tools should be considered for use by government and industry in conveying ideas to consumers.

Figure 3: Graphic provided by Energy Australia to explain their time-of-use tariffs



Source: Energy Australia, 'PowerSmart time-based pricing', on the Energy Australia website at http://www.energyaustralia.com.au/State/NSW/Residential/Products-and-services/Electricity/PowerSmart-time-based-pricing.aspx

Findings and recommendations

Information will only be effective if it is linked to consumers' experience and day-to-day lives.

It should be ensured that information on smart meters relates to a consumer's understanding and experience of electricity.

Linking information on smart meters with other government policy areas

Many stakeholders indicated that a key fault in the government's communications on the smart meter roll-out is that information on smart metering is provided in isolation from information on other relevant areas of policy. Many stakeholders commented that smart meters do not seem to offer significant consumer benefits when considered discretely from other developments. However, if the smart meter is linked, with concrete examples and applications, to improving a customer's ability to make informed choice in a competitive retail market or improve their energy efficiency, then the information becomes more relevant. Essentially, smart meter or smart grids are not an objective, they are merely a tool. Participants indicated that communications need to emphasise much more strongly how the tool worked and was linked into other government and public concerns.

Energy efficiency

The energy efficiency and sustainability policy space was seen as a particularly strong candidate to link to consumer information on smart meters. As energy prices have risen in recent years and as both governments and consumers have become aware of anthropogenic climate change, improved energy efficiency has become a key policy objective. The Commonwealth and Victorian Governments have various policies and programs to support improved energy efficiency among both residential and commercial energy users. Some of these programs involve support for retro-fitting of houses with energy efficient upgrades and others seek to provide consumer information or education about energy efficiency. A number of participants highlighted that, given the purported benefits of smart meters in relation to consumption monitoring and management, the government should start to explicitly link the smart metering roll-out with other government programs that encourage energy efficiency. This, they suggested, could:

- substantially improve energy literacy and consumer understanding of what particular efficiency measures could save them; and
- provide a more tangible and understandable basis for the roll-out to consumers who would otherwise have no concept of what the smart meter could bring.

As an example, consumers that have received an energy efficiency upgrade as part of the Energy Saver Initiative could also receive education to allow them to monitor the resultant energy savings. Smart meters and supported energy monitoring equipment could also be used in consumer information campaigns on smart meters and appropriate practical steps to improve energy efficiency.

In providing information on smart meters and energy efficiency, it is important to acknowledge existing Victorian Government expertise in this area. It is important that information from one agency does not confuse or unnecessarily duplicate information from another. Close cooperation with agencies like Sustainability Victoria, who have existing information programs on energy efficiency, could be highly effective in linking smart metering to the energy efficiency agenda.

Findings and recommendations

The linking of smart metering information with energy efficiency programs was strongly supported by participants at the business forum. Small businesses have much to gain from energy efficiency and smart meters could prove useful tools in energy efficiency programs for these consumers.

Supporting consumer participation in the competitive retail market

An issue that many stakeholders at the community sector forum raised was the issue of retail market competition and consumer confusion and uncertainty. A number of participants noted that consumers already struggled with complex bills and direct marketing from electricity companies. They considered that smart meters added to this complexity and support was needed for both their clients and themselves to navigate this retail market. New tariff arrangements would make it harder to compare offers.

Community sector stakeholders made some useful suggestions as to how consumers could be supported to navigate the complexity of the retail market. One suggestion was that consumers and case workers should be provided with more information to be able to effectively respond to direct marketing. This needed to go beyond information about consumer rights in relation to direct marketers and actually provide consumers with ideas as to the types of questions that they should ask the marketer. Others participants suggested that stronger regulation of direct marketing was required.

There was a frequently expressed view that more information was required for consumers to make effective choices between such a large range of retail products that were difficult to compare because of:

- differences between fixed and variable charges;
- complex terms and conditions; and
- different approaches to discounting and rebating particular offers.

Participants noted that independent information is important to ensure confidence in the retail market. The presence of the Your Choice website was raised at some of the group discussion tables. A number of participants indicated that there was not a widespread knowledge of the website. Other participants criticised the Your Choice website for not providing the most useful information and for being cumbersome and difficult to navigate. There was a general view, however, that websites provided by unquestionably independent operators are a positive, although not infallible, counterweight to direct marketing and industry information. The failure of the Choice Switch website earlier this year removed a further source of information about the market.

From the consultations it seemed that the Your Choice website and campaign was inadequate for the purpose it was intended to achieve. In light of this, the website and the government information campaign on retail choice should be reviewed and renewed. A new campaign and website around retail choice that involves enhancing the Your Choice website and associated information seems to be necessary. This should include an accessible and well-designed tool to assist consumers to make informed choices in their interest.

Case study: Financial Counsellor, Western Victoria

"I don't know how to help my clients understand market offers, it's just too complex. I haven't changed retailer myself because I find it too daunting. We have had a lot of marketing activity in this region but when they come to the door they say they are from the government and spin you a line and so I don't trust what they say."

Smart meters are inextricably linked to the retail market for energy and it will be important to promote consumer awareness and understanding of retail competition as the market develops. The rate of churn alone is not a substantive measure of competition. The rate of churn through informed and educated consumer choice would be a much better measure and one that government should seek to promote through an information campaign.

Findings and recommendations

Community sector participants often indicated that information on how to effectively participate in the retail market was a necessary precursor and supplement to information on smart meters.

In order to prepare Victorian consumers for a more complex retail market with smart meters, it is necessary to inform and educate consumers about the retail market.

From the consultations it seemed that the Your Choice website and campaign was inadequate for the purpose it was intended to achieve. In light of this, the website and government information on retail choice should be reviewed and renewed.

An accessible tool to help consumers to navigate the market and make informed choices in their interest should be developed to enhance the current Your Choice tool.

The importance of case studies

One approach to designing information content that was raised by a number of participants at consumer forums, both for business and the community sector, was the possibility of developing case studies. Case studies of consumer experience were supported by many, although not all, participants as an effective way to demonstrate positive consumer interactions with the smart meter. Participants indicated that case studies could clearly demonstrate situations in which a consumer has benefited from using their smart meter. This is an effective approach to overcoming uncertainty and fear among consumers about the roll-out. As various additional smart metering functions become available, case studies could demonstrate how consumers and different types of consumers can use the smart meter to their benefit. Case studies can also be particularly useful in

providing the link between smart metering and government programs to promote energy efficiency and electricity retail choice/competition.

Survey responses also illustrated the desire for information that, like a case study, is linked to individuals' situations and requirements. Respondents were asked to identify content areas in which their organisation or its clients/members required information. The response format allowed respondents to select as many as applied from a list of content areas, and to identify any other area not listed.

Figure 4: Information content needs

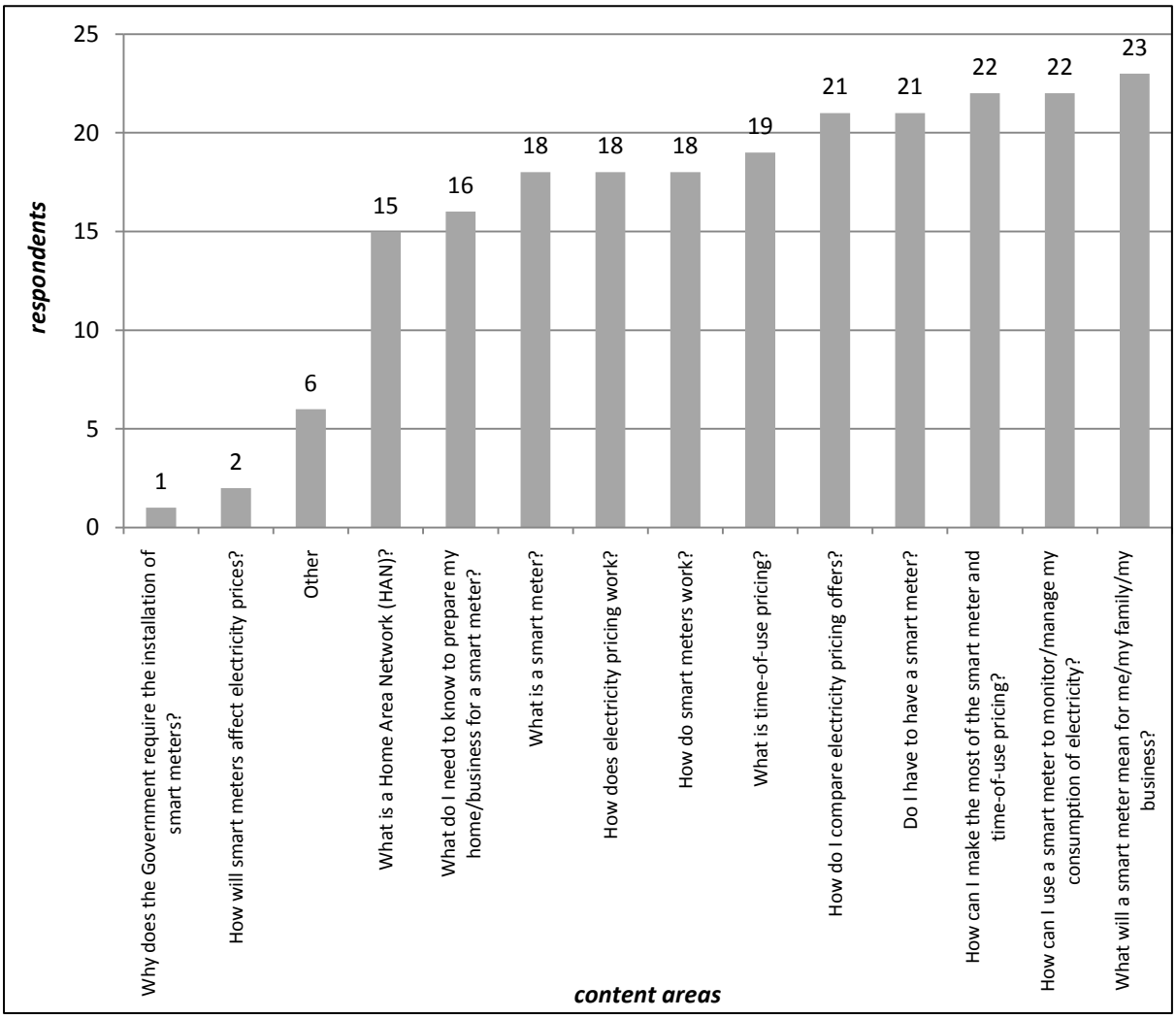


Figure 3 shows that respondents saw a fairly strong need for information in most content areas. For all but two specified content areas, at least half of the survey respondents saw a need for information.

While information needs were high across the board, it appears that information linking smart meters to individuals' situations and needs was most favoured. *'What will a smart meter mean for me/my family/my business?'* drew the strongest support, with 85 per cent of respondents suggesting a need for information in this area. Similarly, 81 per cent of respondents identified information needs on *'How can I make the most of the smart meter and time-of-use pricing?'* and '*How can I use a smart meter to monitor/manage my consumption of electricity?'* A respondent also made the link

to individual requirements in an open-ended response, identifying information needs on the issue '*How can smart meters help me monitor/reduce costs?*'

Case Study: Financial Counsellor, Bendigo

A rural financial counsellor from the Bendigo area indicated that it was no longer useful to simply tell consumers that the smart meter roll-out was mandated by government. Consumers find this an unsatisfactory answer as to why they are receiving a smart meter. He indicated that it would be much more useful to explain to customers how they can use the smart meter to their advantage. After hearing an explanation about the potential uses of smart meters to manage consumption and choose electricity offers he indicated that this type of information would be useful to consumers rather than just informing customers simply that they are receiving a new meter. He indicated that he could help assist his clients to understand smart meters but to do so he would need to be informed, as a consumer of electricity himself, and until the forum, this had not occurred. He indicated that case studies would be useful to explain his own situation but could also be very helpful to assist him explain smart meters and their impacts to his clients.

Findings and recommendations

Case studies can effectively demonstrate how policy reforms/market changes impact on people's lives. They can serve to reduce uncertainty and fear.

Case studies should be used to develop information content in order to provide consumers with a tangible understanding of smart meters and time-of-use tariffs when they are introduced.

Delivery of information to consumers and non-government organisations

As discussed in the previous chapter, policy, regulatory and industry uncertainty preclude the immediate development of much of the information consumers will need as various smart meter functions become available. However, this ongoing uncertainty does not preclude the identification of appropriate approaches to the delivery of information on smart meters. In this chapter, approaches to information delivery to end users as a whole and also specifically to non-government agencies are examined.

Delivery of information through a range of channels

Unsurprisingly, CUAC's consultations revealed that a range of information formats and delivery channels will be needed to meet the diverse needs of agencies and end users. Multiple delivery channels will also help to reinforce messages and cement consumers' understanding of smart meter issues.

Survey respondents were asked to identify the information formats that would be of most use to their organisation and/or its clients.

Figure 5: Information formats/channels

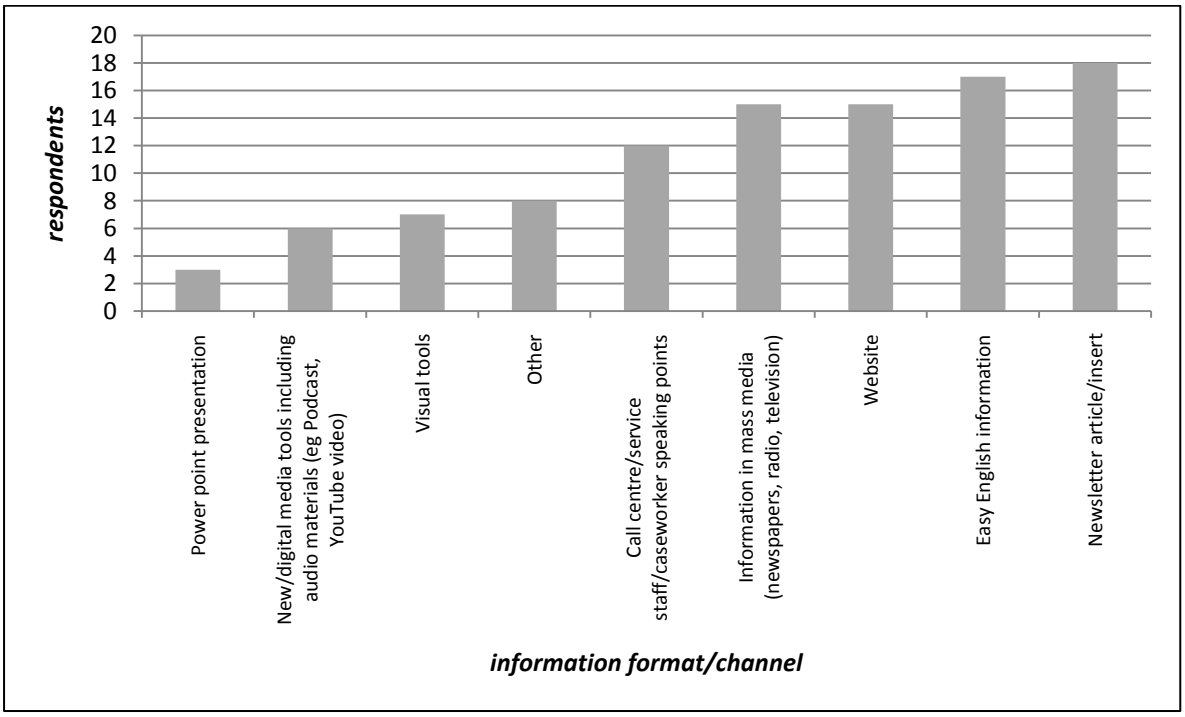


Figure 4 shows that respondents saw a range of information formats as potentially useful, suggesting that a range of communication channels and formats should be utilised. The most popular formats were a newsletter article/insert (64%), Easy English information (61%), mass media information (54%) and a website (54%). While each of these were considered useful by more than half of the survey respondents, visual tools (25%), PowerPoint presentations (11%) and new/digital media tools (21%) were also identified as helpful by some respondents. In response to an open-ended question, respondents also identified as useful channels: seniors' newspapers; multi-lingual/translated materials; fact sheets; community worker training; community information sessions and information that could be uploaded or linked to organisations' websites.

Respondents were also asked to identify which of the selected materials would be *most* useful. Responses to this question were varied, again suggesting that it will be important to provide a range of information tools and materials to support different organisations' needs. Nevertheless, responses emphasised call centre/service staff/caseworker speaking points; Easy English materials; a website and mass media.

Delivery of information to end users generally

Television and radio

There was a strong feeling at the community sector forums that the best way to get information to the community was through television and radio, and that this was necessary to build basic understanding. They indicated that to reach vulnerable consumers, many of whom would be unlikely or unable to read written communications, these non-text forms of communication were an appropriate delivery mechanism. Many of the clients of the case workers present at the community sector forum indicated that radio and television were the ways in which their clients most often accessed information.

The success of television as a method of informing stakeholders was often highlighted in relation to the mandatory switch from analogue to digital television. This ongoing transition for all consumers of television has been underway for a number of years. Earlier this year, Mildura became the first part of the country to complete the switch and to turn off their analogue television signals. Extensive practical information had been provided to consumers in this area to facilitate the switch over, including widespread use of localised television advertising. A number of participants at CUAC forums suggested that communications around the switch over to digital television had been handled well and had resulted in less consumer uncertainty despite the fact that consumers would have to pay for the switch by purchasing set top boxes. They indicated that television advertisements helped with this process.

It should be noted that outside the metropolitan area it is possible to run localised television and radio advertisements in concurrence with the roll-out occurring in a particular area. Such advertisements would be significantly cheaper than if they were run in the metropolitan area. Such advertisements could be very effective at informing consumers as a result of the ability to geographically align their broadcast with the roll-out schedule. It is worth exploring the possibility of such an advertising campaign to support consumer knowledge of the roll-out and smart meters in these areas.

Local newspapers

Many stakeholders indicated that local newspapers were a further useful source of information for many consumers. Older and regional consumers were identified as particular consumer groups that would be more likely to scan the pages of a local newspaper and take note of information or advertisements regarding smart metering. A number of distribution companies have used this medium for the communication of information on roll-out schedules. Such information could potentially be accompanied with government information for consumers containing practical information about smart meters. Again, a great benefit of local newspapers is the ability to align the provision of government consumer information with the scheduled roll-out of the smart meters in a particular area.

Fridge magnets and help lines

A number of community sector stakeholders indicated that fridge magnets were a useful medium for providing a very basic level of information to consumers. As discussed in the previous chapter, a number of forum participants reacted favourably to the fridge magnet supplied by Energy Australia. As a delivery mechanism, fridge magnets were supported because consumers tended to use them rather than just throw them in the bin as they might a letter or a factsheet. The obvious limitation of the fridge magnet as an information delivery mechanism was its small size and consequent limited ability to convey a large quantity of information.

Participants indicated that this can be overcome by linking a fridge magnet with the number for a telephone help line on smart meters. It was suggested that this service could be delivered by government and provide information about smart metering as well other energy issues which may be of concern to consumers. Help lines were supported by a large number of participants because they:

- are useful in providing information to those with limited literacy including many vulnerable consumers;
- can be used by case workers or community workers endeavouring to support their clients with smart metering related enquiries; and
- are an effective approach to linking smart metering information with other government programs and services.

Participants also suggested that a government telephone help line on smart meters could also serve as the one stop government energy advice shop. Call centre staff could be trained to respond to queries about smart meters, retail choice, energy regulation, concession and energy efficiency programmes. This would streamline the current system whereby consumers or their representatives trying to get the information on these issues need to call different numbers and organisations. It may be appropriate to link such a help line to a dedicated website that provided information to consumers on a whole range of energy related topics including choice, efficiency and concessions.

Culturally and linguistically diverse consumers

For a variety of reasons it is more difficult to provide culturally and linguistically diverse consumers with the information that they need to participate in the energy market effectively. A significant number of respondents to the survey indicated that there was a need for translated information for

culturally and linguistically diverse consumers. At the forums, a number of case workers who worked in particular ethnic communities provided useful advice on communications that could be appropriate to reach these consumers.

Participants indicated that foreign language newspapers, television and radio were all extremely important sources of information for different ethnic groups across Victoria.

One worker provided the example of some of her clients in the Turkish community who always have the television tuned to a Turkish station broadcast out of Sydney through the cable network. She suggested that there are many in the Turkish community who use these networks as one of their only sources of information. She emphasised the importance of using these networks to ensure that messages get to all consumers.

Community sector participants indicated that it can be useful to have access to foreign language fact sheets to provide to clients who are from linguistically diverse backgrounds. As is the case with any government program, consideration needs to be given as to the most appropriate languages and organisations for the provision of such materials. However, a good starting point would be to consider the provision of foreign language information to ethnic community representative councils and social welfare agencies that work in areas with high concentrations of culturally and linguistically diverse consumers.

Case study: Support worker, Central Victoria

"Especially with the refugee community in our area we have been working to build up their understanding of how electricity works and that you have to pay for it. People from African countries find it cold here and like to turn the heating on and keep windows and doors open for fresh air. They find it a really difficult concept. So our approach is to do lots and lots of visits and talking so we can gradually build understanding. This will be really important with the smart meter roll-out, especially with time-of-use pricing."

Additionally, participants indicate that culturally and linguistically diverse communities will often rely on their children and community workers as sources and mediators of complex information. There was an emphasis on the need to ensure that these parties were also equipped with the appropriate information.

Fact sheets and written information

There was an overwhelming view that while letters from the distributor and the government are necessary sources of information, they are not sufficient on their own. A large number of participants at the community sector forums indicated that many of their clients would simply discard the letters that have been provided. Similarly, business representatives indicated that time poor business operators may not digest the information provided on smart meter letters.

Fact sheets and pamphlets were seen as of limited use to end users, but a useful tool for agency staff in increasing their understanding. It was suggested that very few people actually read them. There was a strong view that written information is much more useful as source of information for community workers or other information providers who could then pass on and/or mediate this information to consumers.

Findings and recommendations

A large number of participants indicated that non-text sources of information were better than written information for the general public and, in particular, vulnerable consumers. Information on smart meters for the general public should employ non-text based information in a variety of media.

A widely publicised help line on smart meters would be useful and could be linked to provision of information on other energy-related topics. Potentially, this could be linked to an all-encompassing energy information website that includes information on choice, efficiency and concessions.

Local newspapers, local radio and local television are all information sources that should be used more by government to communicate roll-out information.

Specific communications are required for culturally and linguistically diverse communities and these include foreign language newspapers.

Delivery of information to non-government and community agencies

Generally, the community and business groups consulted as part of this project emphasised that they had a role in providing information to end users. It is not unusual for consumers to question their case worker, financial counsellor or business representative group about a variety of issues including energy. Participants indicated that it is important that they have easy access to accurate information on the issues that they may be required to provide advice on. This section identifies approaches to delivering accurate information to the community sector and business representative organisations.

The importance of face-to-face interaction

Community sector workers clearly indicated that the main way that they provide information to consumers is through face-to-face interaction and individual consultations. Information is usually provided verbally with leaflets, pamphlets and fact sheets used where appropriate to clarify information that has been provided verbally. In some cases, community workers will provide specific notes for their client. This may occur for instance in relation to specific energy efficiency measures a particular client might take. This direct and interactive relationship between community workers and their clients informs the most appropriate approach to assisting community workers to provide assistance.

Case study: Emergency relief volunteer, Western Victoria

"I think that it would be really useful if we had some fact sheets that helped explain smart meters, but I don't think fact sheets would be helpful for the people I visit in their homes – they would throw them away. It would be better if we had the fact sheets so we can understand and then talk to people and if we had really simple diagrammatic material to hand out. The important thing is the face-to-face help. We find that we need to talk a bit about some of these issues and then go back and have another chat to help people understand."

Community workers are consumers too

A key issue to emerge from consultations was that many, if not most, of the individuals consulted found it very difficult to separate their own experience as consumers of electricity from that of their clients. In many instances participants indicated that they had been able to inform their clients as a result of their own navigation of the market place as consumers. For example, participants indicated that their own experiences of energy efficiency and the way that they manage their own costs are used in advising clients. Similarly, general information that they receive on government programs in the media and as a result of their day-to-day lives is also used to inform clients. Given that community workers often have many competing demands on their time, and need to be across information on a whole range of different topics, it is often the best course to advise clients based on a general understanding coupled with common sense interpretations of general information.

This resulted in many forum participants indicating a preference for general consumer information on smart meters that would be useful to them as well as their clients. In essence this means that a well-designed information campaign for the general population would probably flow through to more vulnerable consumers as a result of workers in the sector becoming better informed and then using this information in their client relationships.

Case study: Forum participant, metropolitan Melbourne

One participant at the Melbourne forum was particularly worried about the issue of unsafe wiring and the potential for being issued with a defect notice for unsafe wiring in her rented home. She was anxious about the problem of getting her landlord to rectify the problem, and concerned about the possibility that her clients would be in the same position. This participant's experience highlighted the fact that many community workers in discussing issues of energy and smart meters found it difficult to differentiate their experience as consumers from their clients. This was confirmed in further discussions in which many community workers indicated that if they had been provided with useful general consumer information on smart meters then they would be well placed to mediate the same information for their clients. However, their own knowledge, as general electricity consumers, was basic as a result of the lack of general information on smart meters and widespread community confusion.

Using existing information networks

Community sector participants indicated that they often received information through formal and informal information networks. Many participants indicated that simply getting together and talking to colleagues frequently led to them learning about new policy developments. It was important, therefore, to ensure that some information on relevant issues filtered down to individuals in their sector who could then help others understand the issues.

Formal information networks and sources of information were also highlighted as important. From the perspective of the community sector, Centrelink was identified as an important source of information. It is useful if Centrelink can direct case workers and clients to information about State, as well as Commonwealth policies. Similarly, the network of Commonwealth Respite and Carelink Centres was identified as an exceptionally useful source of information for independent older people and the workers who support them.

Case study: Forum participant, Bendigo

A forum participant who worked with older Victorians who live independently spoke in glowing terms of the Commonwealth Respite and Carelink Centres. These centres were highlighted as a useful source of information for carers in Victoria. These centres provide information for older people, people with a disability and those who provide care and services. Nationally, they have 65 'walk in' shop fronts and a free call number. They can provide information on a whole range of services available both nationally and locally. The participant indicated that there needs to be a concerted effort to equip organisations like these centres with information on smart meters. The centres are an important source of information and advice for potentially vulnerable community members as well as the workers that support them. It is important that DPI identifies useful pre-existing information networks such as these to get information to the community.

Formal professional networks were also identified as extremely useful in disseminating knowledge and information. The Financial and Consumer Rights Council regularly organises professional development and information sessions for financial counsellors across Victoria. These are good opportunities to provide information to a large number of financial counsellors who work with consumers experiencing financial difficulty. These professional networks often have newsletters that are used to provide information on emerging relevant issues, and these are also useful information conduits.

A number of participants from the community sector indicated that they often sought advice on a wide range of issues from local government contacts. They suggested that it would be useful if workers in local government who provide advice are equipped with information on smart metering.

Activity hubs for community sector workers were also identified as a network or information source that was worth tapping into to provide information on smart meters. Hospitals and community health centres were identified as places that a wide range of community workers would come into contact with or visit as part of their work. Similarly, community centres were mentioned as potential places to provide pamphlets and information to community sector workers.

A number of financial counsellors indicated that they use services like the Concessions Information Line run by the Victorian Government Department of Human Services. It was suggested it could be useful if help lines such as that could assist workers with energy-related enquiries, or at least transfer callers to another call centre that could. This would reduce the need to call or search for multiple help lines.

A number of participants with regular newsletters, such as National Seniors and the business groups, indicated that these publications could be a useful approach to disseminating information about smart meters to their clients and members. It could be useful if they were provided with articles and information for these publications. Periodic articles as new information becomes available and policy decisions are made could also help consumers remain in touch with progress of the roll-out and the status of products and consumer protections.

Existing networks used as sources of information

Potential information providers and networks that should be provided with information on smart meters include:

- Commonwealth Respite and Carelink Centres
- Community Information Victoria
- Financial Counsellor Networks (for discussions at meetings)
- Community Health Centres
- Centrelink
- Local government

Education and information forums for non-government agencies

A significant number of participants, both business and community, indicated that the information forums held by CUAC as part of this project were extremely useful as a source of information. A number of participants indicated that these types of forums would continue to be useful as various smart metering functions become available and when time-of-use tariffs are introduced. It was also opined that the forum provided by CUAC allayed some of their fears about smart metering and effectively answered their questions. It was also suggested that forums would be an effective approach to providing information, not just on smart meters, but on a wider variety of energy and consumer related topics.

A number of community sector participants indicated that information forums can also be effective at reaching specific groups of end users. It was suggested that community organisations could assist in organising gatherings of particular groups of consumers for information sessions. Others suggested that networks like senior citizens clubs provide significant opportunity for the provision of community information.

Case study: Energy auditor, Melbourne

"This forum has been a really good way to learn about smart meters – my suggestion is that you run more of these forums for community agencies – we'd be happy to organise agencies in our networks to come along. The best way to provide information to the community is by talking to people and explaining things. I do energy audits for people but I really don't know much about smart meters so this has been really helpful."

It is interesting to note that since the forum, CUAC has been invited to provide more information to community and business at other information sessions being organised by community and business groups on the issue of smart meters. This represents concrete feedback that participants found the sessions useful and informative.

In determining whether to use information forums as a delivery mechanism it is important to consider the most appropriate delivery agency for the session. It would seem that one of the reasons that the CUAC session was a success was that it was delivered by an independent trusted source. Government or industry delivered sessions may not receive such a positive reception. It may be appropriate to resource a community organisation or organisations to deliver information forums to the community sector. This could be an ongoing arrangement as policy and technological developments in smart metering occur.

A number of government agencies use a community outreach approach to providing information to consumers about their programs. This may be an appropriate strategy on smart meters. For example, regulators such as the Australian Securities and Investment Commission have education and outreach workers that travel to community gatherings and provide information to community sector stakeholders. Other agencies, like Victorian Legal Aid, conduct regular events aimed at educating particular sections of the community about legal issues and consumer rights and responsibilities. The success of these programs is dependent on employing trained people with experience in working with the community and conveying information in a simple and appropriate manner. As policies and programmes, like the smart meter roll-out, that impact the whole community are introduced, outreach education programmes can be a good way to ensure that the community is adequately prepared for the changes.

Text-based information and the ability of non-government groups to "mediate" information

A number of participants indicated that they, as workers, found fact sheets and pamphlets useful. They noted particularly that if they are provided with a text based fact sheet or pamphlet they can then provide information to their clients in a way that makes sense to the client. A number of stakeholders suggested that written information provided directly to consumers, like the letters about smart metering, are ineffective. The consumer will often throw the material away without reading it. If, on the other hand, written information is provided by a case worker or in some other direct manner from a trusted source, it is much more likely the consumer will take the time to read and understand the information. Participants, therefore, suggested that fact sheets and the like should not be completely discounted as a source of information. However, they are much more powerful as a tool if they are used in conjunction through the course of client-worker interactions. Participants indicated that it would be useful to have ready access to such materials to be used if they are asked by their clients.

Participants indicated that fact sheets such as these may complement more simple information that is not so text rich. There would be many cases where a simple diagram or easy English pamphlet would be more useful to provide to a client. Meanwhile, the fact sheet could be used by the community worker as a basis for the provision of more detailed information.

Community sector participants emphasised their role as important information mediators on various issues. Particular types of workers that could be used to mediate and provide information included:

- financial counsellors;
- emergency relief workers;
- home and community care (HACC) workers;
- energy auditors working with community sector organisations.

Materials and information sessions for these workers were emphasised as of particular use in assisting the delivery of consumer information about smart metering.

It was noteworthy that there was very little mention in the community sector forums of alternative text based information sources such as websites and, for example, power point presentations. Many of the community workers seemed to think that fact sheets or other simple printed diagrammatical information that could be provided to and discussed with consumers directly was

the best approach for them. Business groups, on the other hand, were more open to the idea of information on a website, saying that this was a common way for business to access information.

Schools

It was suggested by a number of stakeholders that schools have an important role in the delivery of consumer information. Community sector participants suggested that culturally and linguistically diverse communities and consumers with low levels of literacy often relied on their children as sources of information. It was suggested that information on broader energy efficiency programs at schools could be linked with smart metering information. It may also be appropriate to run targeted programmes in schools with high numbers of students from culturally and linguistically diverse backgrounds.

Findings and recommendations

Community workers are important mediators of information. They have a role in providing information to their clients in a way that is appropriate and digestible.

Fact sheets alongside simple pamphlets and leaflets should be provided to community sector workers to be passed on to clients where needed.

Provide information through existing networks including peak bodies, local government, Centrelink and government telephone help lines. Workers and businesses are more likely to use known rather than unknown sources.

Information sessions are an effective and highly valued tool for the provision of community information about events and government policy. These can be delivered by community sector organisations but a government education and outreach program may be an appropriate approach.

Written information can be effective if it is provided to the consumer personally by someone that they trust, with the information explained to them. Opportunities for this should be pursued.

Providing information through schools can be an effective way to provide information to some consumer groups.

Joined up government

In implementing any of the findings and recommendations of this report it is important to remember that there is significant expertise and knowledge across government that can be drawn upon. Furthermore, a variety of government agencies have an interest in ensuring that consumers are informed and can make the most of smart meters. These agencies include DPI, Sustainability Victoria, the Department of Sustainability and Environment, the Essential Services Commission, the Department of Human Services and Consumer Affairs Victoria. It is important that the communications effort on smart meters draws upon the expertise of these agencies, particularly where they have experience in informing consumers.

Sustainability Victoria and Consumer Affairs Victoria have clearly defined roles to inform the Victorian public on relevant issues. Their knowledge and experience could be extremely useful in developing communications on the smart roll-out. Similarly, it is important that the Victorian

Government agencies that may administer policy and programs that relate to smart meters are equipped to assist in consumer information. For example, the Concessions Unit at the Department of Human Services is likely to be a contact point for consumers and community workers with queries about smart meters. They may be able to provide further input to complement the findings of this report. They will also need to be appropriately equipped to support any communication effort that is undertaken by DPI. In short, it is important that relevant government agencies work together where appropriate to ensure Victorians are well-informed on the smart meter roll-out and its implications.

Findings and recommendations

The expertise and experience of other government agencies will be useful in communicating information on smart meters.

Other government agencies will have perspectives that complement the findings of this report.

Involve relevant government stakeholders in implementing the findings of this report where appropriate.

Conclusion

This chapter outlines in brief some of the key findings and recommendations of this research work.

Immediate messages for consumers

A key finding of this research work is that significant consumer uncertainty remains about smart meters and the moratorium. This is generating confusion and, to some extent, fear in the community. The combination of government and media messages on the issue has added to the confusion. Although policy and regulatory uncertainty remains, steps need to be taken to overcome consumer concerns. Information on three subjects in particular needs to be clarified by government immediately. These subjects are:

- What is a smart meter and what will it cost me?
- Why am I getting a smart meter and what will it mean for me?
- What is the moratorium on time-of-use pricing and why is it there?

The issue of direct cost of smart meters is particularly important as government communications to date have not included this information. Consumer knowledge of this issue is usually a result of media coverage. By not providing this information to consumers it appears that the government is not acting transparently. Given that many households are particularly aware of their costs and budgets, the cost of the smart meters has been widely noticed by consumers. Additionally, as a result of consumers not being aware of the actual costs of the smart meter roll-out, any price rises are likely to get blamed on the roll-out. Consumers need to be aware as to what the drivers of cost are so that they can manage the costs that are within their control. Efforts need to be made to increase transparency in this area.

The moratorium has caused concern to consumers because of the uncertainty in the community as to whether the smart meter roll-out has been stopped or not. Government needs to make it clear to consumers that the roll-out continues and that the moratorium only relates to time-of-use pricing. Again, the combination of government and media messages on this issue has done little to allay consumer concerns. Accurate information on the moratorium can be coupled with reassuring information that the moratorium is in place to ensure that the best possible consumer protections are put in place.

Further useful information on smart meters will have to be developed as the policy environment becomes more certain and smart metering functions become available to consumers.

Smart meters cannot be viewed in isolation from other government programs

It is intended that smart meters will help customers improve their energy efficiency and provide them with more information to participate effectively in retail markets. Stakeholders consulted by

CUAC identified these as the areas where they saw smart meters as having the greatest direct benefit to consumers.

Despite this, the smart metering roll-out seems to have occurred in isolation from the government's energy efficiency policy agenda. The government has not sufficiently articulated a link between smart meters and existing energy efficiency programs. This has been hindered as a result of limited certainty and policy direction on the enablement of functions/devices to monitor energy cost and consumption. It should be a priority for the government to ensure that consumers can start to interact with their smart meters in the interests of efficiency. Approaches to ensuring that low-income and vulnerable consumers can also interact with their smart meter need to be considered.

Smart meters can also provide benefit to consumers by providing information to consumers to support retail choice and market participation. However, consumers are already confused about retail market participation, and smart meters will only add to this complexity. An information campaign on the retail market that also illustrates how smart meters will improve consumer outcomes would be appropriate as smart metering policy becomes more certain. A large number of stakeholders consulted as part of this project indicated that confusion among consumers about electricity and market participation is widespread and this needs to be countered as part of a broader strategy to educate consumers on energy.

Facilitating easy access to information

It is clear from the consultations conducted by CUAC that consumers and the non-government sector in Victoria, in the first instance, would like simple information provided to them on smart meters and energy. This simple information can also direct them to additional information should they need it.

Some approaches that have been discussed in this report to facilitate easy information access include:

- The provision of a help line that can provide information on smart meters, retail choice, concessions and energy efficiency enquiries.
- The use of simple messaging and non-text forms of information delivery including television and radio to inform consumers.
- Appropriate support for community and business representative organisations so that they can support their clients/members on energy issues.

The skills and experience of other government agencies may prove useful in developing information campaigns and complementing the findings of this report. The skills and experience of government agencies like Sustainability Victoria and Consumer Affairs Victoria that have a specific information provision function could support a government information effort in relation to smart meters. The best way to effectively use the resources of appropriate complementary government agencies should be given close attention by DPI.

Supporting the non-government sector

Community sector and business representative organisations provide their clients/members with important information about a range of government programmes and policies. Stakeholders consulted as part of this research indicated that their role in the provision of information on smart meters could be better facilitated. To achieve this, a better flow of information is required between the government and non-government organisations on the issue of smart meters. There was a strong view among participants that information forums and education events were a useful approach to achieve this. Many people commented on how useful the CUAC session was and, subsequently, CUAC has been invited to present to several different community forums.

This suggests that a program of outreach and education would be a useful approach to assisting non-government organisations inform their clients about smart meters. One option to achieve this would be to support a number of community agencies to provide education and information sessions to Victorians on smart meters. At these sessions, information could also be provided on broader retail energy issues and energy efficiency.

Community sector provision of information and education could be complemented by a programme of government outreach education. Commonwealth government agencies like the Australian Securities and Investment Commission have significant consumer education programmes featuring trained staff who can effectively convey information to community audiences. Similarly, organisations like Consumer Affairs Victoria, Victorian Legal Aid and other government service providers run programs to educate the community. Given the significant scale and implications of the smart meter roll-out for Victorian energy consumers, the delivery of information from government outreach educators may be appropriate.

The forums also indicate that there is a need to ensure that consumers and their representatives are consulted and engaged in providing ideas for communications tools as well as in the development of communications strategies.

Where to from here?

This report has provided a range of detailed ideas and viewpoints on smart meters and the Victorian roll-out. The research and report finding can be used as policy and regulation develops and also as government and industry develop communication strategies to inform consumers. The findings of this report should be circulated to appropriate industry, consumer and government agencies.

An appropriate approach to further work on this project would be to provide resources for community agencies to run a series of education and information forums on smart meters. These forums could be tailored to the audience and would go hand in hand with the development and compilation of relevant materials to provide to community agencies, business groups and general consumers present at these forums.

Appendix I: Policy and practical considerations

This chapter analyses some of the key policy issues and practical considerations that were raised by stakeholders during CUAC's consultation process. As previously discussed, these are included in this paper as they were raised as clear areas of concern for stakeholders who were consulted in both the survey and the forums. Policy recommendations are included along with each topic.

Enabling consumer access to consumption information

During stakeholder forums on smart metering, a key theme to emerge in discussions revolved around the potential to use the smart meter for consumption and cost management. In the presentation provided to stakeholders, CUAC outlined the potential for consumers to monitor consumption through the home area network (HAN) and the possibility that this would allow for the control of appliances in such a way to maintain outcomes but reduce consumption (cycling of air conditioners for example). In home displays (IHDs) and software packages such as Microsoft Hohm and Google PowerMeter were discussed and generated interest among participants in the forums.

A significant number of participants in the forums indicated that the potential for consumers to monitor their own electricity consumption and costs was one of the first benefits of smart meters that they had heard of that did not seem to be only focussed on the power companies. Some indicated that such features could:

- help consumers develop an understanding of the costs of electricity consumption;
- allow consumers to select retail offers that were well suited to their consumption patterns; and
- support initiatives to improve energy efficiency.

It was also suggested that smart meter functions associated with the HAN can provide customers with a tangible understanding of what the smart meter can bring, unlike many of the other purported benefits of the technology.

A number of forum participants, however, indicated that the IHDs and software tools that would allow consumption monitoring would be of limited use to their clients due to the clients' limited technical abilities or lack of access to computer hardware. It was also emphasised that low-income clients are often very efficient users of electricity as they are subject to a tough budget constraint and are often struggling to afford energy at existing prices. Another constraint was the inability of low-income clients to purchase more energy efficient and cost effective appliances.

There was some interest among business representative organisations about making available the IHD functions of smart meters to help businesses better identify drivers of electricity costs. These same organisations, however, noted that IHDs could be given a more appropriate name for the use of their members.

To date, the IHD functions of smart meters are not available to Victorian consumers with smart meters. However, stakeholder perspectives gleaned through this consultation process suggest that the enabling of such functions could provide benefits to consumers and allow consumers to access a tangible outcome from the roll-out.

This feedback from stakeholders is complemented by a recent study by the American Council for an Energy Efficient Economy (ACEEE). They found, through a meta-analysis of over 40 previous reports, that:

- energy savings in the presence of smart metering were greatest if consumers had access to real time consumption and appliance information (over 10 per cent savings)
- energy savings were greater if consumers were provided with tailored solutions by third parties rather than consumption information provided through their power company.[4]

Consequently, it is recommended that approaches to quickly enabling the HAN to be used by customers should be investigated by government. In doing so, access to the HAN should be in the hands of the consumer as well as the distribution company. It is important that data generated by the meter should be able to be used and controlled by the end user. It is also important to ensure that data provided by the HAN is adequately protected from being viewed or misused by unauthorised third parties. This issue should be addressed by the ESC's review of regulations relevant to smart metering that is currently underway.

Approaches to providing consumers with access to their consumption information could be linked with energy efficiency programmes. Energy audits and retrofits, for example, could include the installation of IHDs at low cost to consumers. Support, both financial and educational, could be provided to ensure that low-income households are provided with the opportunity to benefit from real time consumption and cost monitoring information. These consumers may find it difficult to access these products as a result of the upfront costs of IHDs or computer hardware. It may be possible to support these consumers by working with community agencies that have programmes aimed at improving energy efficiency for low-income and vulnerable Victorians.

Findings and recommendations

There was widespread interest in the potential for smart meters to monitor consumption and to be used to improve energy efficiency.

Developing opportunities for smart meters to be used in this way will provide greater consumer understanding of smart meters and their uses.

DPI should investigate how the functions of the HAN can be expeditiously enabled so that customers can access the benefits of trustworthy hardware and software to manage consumption and electricity costs.

[4] Karen Ehrhardt-Martinez, Kat A. Donnelly, and John A. "Skip" Laitner (2010) Advanced Metering Initiatives and Residential Feedback Programs: A Meta-Review for Household Electricity-Saving Opportunities.

Analyse the benefits of providing IHDs to different types of consumers and ensure that the availability of these products is supported by government and industry.

Consider the provision of support to low-income and vulnerable Victorian consumers to access the benefits of real time consumption information and the HAN.

Ensuring appropriate support to consumers who need to improve their electrical safety

At both the business and community sector forums, participants raised the issue of faulty and unsafe electrical wiring and approaches to supporting consumers who are faced with this problem.

Many participants at the community sector forums, despite being case workers with clients experiencing disadvantage, were not aware of processes in place to support consumers with concession cards who face disconnection in the event that their electrical wiring is discovered to have a serious safety defect. It is of crucial importance that case workers are made aware of support available for consumers confronted with this issue.

At present, distribution companies are able to provide information about available support if they become aware of hardship due to electrical safety repair costs. It is also critical that financial counsellors are aware of this support in order that they may help clients to access it. The program should be publicised among this group of workers. Given that the Department of Human Services administers this and other concessions, they are likely to be an important point of contact for consumers or support workers seeking assistance in this area. Hence, the Department of Human Services' Concession Unit staff should be equipped to provide information on the support mechanisms for low-income consumers needing electrical upgrades.

Participants at the community sector forums also raise the spectre of recalcitrant landlords not responding to consumer entreaties to fix wiring within the 60 day period before disconnection can occur. Participants noted that landlords can often take a long time to respond to consumer requests to undertake expensive works in a house by which time disconnection may have occurred. It was noted that the standard approach to resolving issues such as this was through the Victorian Civil and Administrative Tribunal. However, this process may not be sufficiently responsive when facing the consequences of disconnection from electricity supply. Currently, customers facing recalcitrant landlords can inform the distribution companies of the problems they are facing. However, there are concerns as to whether they will have the foresight or knowledge to do so. It is important to ensure that information on this process is available to consumers that need it. One way to achieve this is to ensure that case workers have access to information on the dispute resolution mechanisms available.

At the forum for business groups, the Victorian Famers' Federation raised the issue of unsafe wiring in farm buildings and the potential implications if farmers were faced with significant safety upgrade costs over a number of older farm buildings. While they stressed that they supported improving electrical safety they indicated that some farmers may need support to achieve this within the 60 day window given the costs that may be involved. They advocated transitional arrangements to

support business consumers confronted with significant safety upgrade costs as a result of wiring that may have been installed at a time when electrical safety guidelines were not as strong.

Findings and recommendations

Both business and residential consumers were concerned about the possibility of receiving electrical safety defect notices and, consequently, incurring high costs to rectify any problems.

Broaden publication of information on concessional arrangements for safety upgrades so that financial counsellors are aware of the program, and information is made available upon request through the Department of Human Services' Concessions Unit.

Monitor any issues arising from landlords failing to respond to requirements to improve electrical safety and ensure that any systems in place to manage this issue are sufficiently flexible given the consequences of disconnection from supply.

Consider approach to supporting businesses confronted with significant electrical safety upgrade costs.

Supporting the needs of highly efficient consumers and consumers with distributed generation

Participants in the forums representing environmental and energy conservation groups suggested that more needed to be done to ensure that the smart meter roll-out was also in the interest of environmentally conscious and energy efficient consumers. Broadly, there were three issues that these stakeholders raised as being of concern to their members and supporters. These were:

- the inability of consumers accessing the premium feed-in tariff to benefit from the moratorium on time-of-use tariffs;
- the inability of customers who are highly efficient to use their smart meter to further reduce their consumption by sufficient quantity to offset the cost of the smart meter; and
- the additional costs incurred from the roll-out for consumers who have recently had to install a bi-directional meter.

Currently, consumers who are responding to government incentives and installing solar photo voltaic systems at their properties are being automatically switched over to a time-of-use tariff in some distribution areas. Some of these tariffs include a peak period of 16 hours with retail tariffs of between 25 and 30 c/kWh during this period. These consumers, with little choice in their tariff, can end up with higher energy bills despite receiving the feed-in tariff. This seems to contravene the intent of the moratorium on mandatory time-of-use reassignment. Additionally, it seems to be counter to the policy intent of providing feed-in tariffs in the first place, which is to encourage the uptake of small scale solar installations.

The issue of benefits of smart metering to highly efficient households was also raised. Essentially, there are environmentally conscious households who are highly energy efficient and have reduced their energy consumption significantly in light of climate change. Some of these consumers have reduced their consumption to the extent that their variable electricity charges are lower on their quarterly bill than their fixed charges. It would seem unlikely that, with these levels of efficiency,

such households would be able to reduce their consumption further with a smart meter. Furthermore, it is not these households that are driving peak energy use, which the smart meters are intended to reduce. Some stakeholders raised concerns that these consumers who are doing the right thing by the environment are burdened by another $67 on their fixed charges that they will never be able to offset through consumption adjustments as they are already extremely efficient.

The issue of meter replacements was a further concern for stakeholders with an environment focus. They indicated that some of their members/ supporters had had to purchase a new bi-directional meter at substantial cost ($300 was quoted by a forum participant) when they installed solar panels in order to access the feed in tariff. This meter was then replaced when the smart meter roll-out came through their area. Participants questioned why the distribution company did not simply install a smart meter in the first place. A similar issue arose at the business group forum at which SP AusNet indicated that they are not yet installing smart meters to consumers with solar generation at their premises because they do not have appropriate meters available. This may result in consumers receiving new meters twice over the course of one or two years. This appears to be an inefficient process contrary to the intent of the smart meter roll-out. Additionally, this issue provides a further counterweight to government incentives to encourage the uptake of small scale solar technologies.

Findings and recommendations

There were concerns about the ability of highly efficient consumers and consumers with small scale generation to access the benefits of smart meters.

In the interests of fairness, ensure that all Victorian consumers, including consumers receiving the premium feed in tariff, are protected by the moratorium on mandatory reassignment to time-of-use tariffs.

Examine approaches to ensuring that highly efficient households can access benefits from the smart meter roll-out.

Work with distribution companies to ensure that consumers installing solar generation systems are not charged for a high cost bi-directional meter. These consumers should simply receive the appropriate type of smart meter for their installation and pay for it through the system of regulated charges.

Ensuring that smart meter communications infrastructure works for all consumers

At the consultative forum with business groups, representatives of the Victorian Farmers' Federation (VFF) indicated that they had concerns about the WiMAX communications infrastructure currently being deployed by SP AusNet. Specifically, they were concerned that this communications infrastructure would not work in remote rural and possibly hilly areas of the distribution network. Given that the benefits of smart metering are dependent on remote communication, the VFF expressed concern that if this function was not effective in some parts of the state, substantial costs could be incurred in continuing meter reads. Moreover, it may reduce the reliability gains that were expected in rural and remote areas as a result of the 'last gasp' function of smart meters that should allow smart meters to communicate information on outages. It is important that any uncertainty in the community on this issue is rectified.

Findings and recommendations

Rural consumers highlighted their concerns about the effectiveness of WiMAX in remote rural areas.

The government should seek confirmation from SP AusNet that the WiMAX communications network will be effective across the distribution network.

Information guaranteeing the effectiveness of the communications network should be made available to concerned consumers/stakeholders.

Maintaining tariff choices

Some participants at the forum stressed the risks of a movement to time-of-use pricing. They were concerned that consumers, both business and residential, would be unable to shift load to off-peak periods. It was important that tariffs still provide sufficient choice to consumers to allow them to choose an offer that accords appropriately with their consumption patterns and load profile. Participants at the community sector forums appeared comforted by the Minister's announcement that consumers would still have a choice as to whether they were subject to a time-of-use tariff or not.[5] A few participants voiced concerns over subjecting low-income, low consumption consumers who are at home during the day to time-of-use tariffs. Data circulated by VECCI at the business groups' forum indicated that very few business consumers currently thought that there would be any benefit to them in moving to time-of-use tariffs.

Given that flat tariffs have been the mainstay of electricity pricing in Victoria, the government should ensure that appropriate flat tariff options are available for customers unable to shift their electricity load. These flat tariffs can be complemented by a variety of well designed time-of-use tariff options for consumers who have an ability to shift load and, therefore, to assist in the realisations of the network benefits associated with smart meters. Having said this, significant consumer education will have to accompany any move to time-of-use pricing given the inherent complexity of such a reform to the energy market.

The need to maintain tariff choices, including flat tariff options are closely related to the ability of consumers to monitor consumption information and the need to educate consumers about the retail energy market that have been discussed earlier in this paper.

Findings and recommendations

Consumers were generally comforted by the prospect that flat tariff options would continue to be available.

A policy and regulatory framework that supports the existence of flat tariff options alongside a variety of time-of-use offers should be maintained.

[5] Australian Broadcasting Corporation (2010) 'Government changes tack on smart meters', Broadcast on *Stateline,* 11 June 2010

Appendix II: Smart metering survey

The following is the survey that was administered to relevant non-government stakeholders in connection to this project.

This Project

The Consumer Utilities Advocacy Centre Ltd (CUAC) has been funded by the Victorian Department of Primary Industries to conduct a research and information project on smart electricity meters. The ultimate aim of the project is to produce free information, materials and training that Victorian community organisations can use in informing their clients about smart meters.

CUAC has developed this short survey (5 – 10 minutes) as part of the first phase of the project. The survey will gauge current knowledge of the smart meter roll-out and gather input on the types of materials that would be useful to you to in assisting your clients.

In coming months, CUAC will be holding a series of information sharing workshops on smart metering, to share information and gather more input from community organisations and small business. Following the workshops, CUAC will develop materials and undertake training seminars for agencies wishing to use the materials.

If you have any questions about the project, this survey or the upcoming workshops, please contact David Stanford at CUAC on (03) 9639 7600.

Organisational Information

1. Please fill out your contact details. This will be used to contact you about any developments in this project only. It will not be used for any other purposes.

Name:	State/Province:
Company:	ZIP/Postal Code:
Address 1:	Country:
Address 2:	Email Address:
City/Town:	Phone Number:

2. Please select one of the following that most closely describes your position in your organisation:

Administrative	Case Worker
Policy	Executive
Volunteer	Other

3. Where does you organisation operate in Victoria? (please select as many of the following as apply to you)

Statewide	Regional
Metropolitan	Rural

Current knowledge of smart meters

4. Have you heard about the introduction of smart meters in Victoria?

Yes	No

5. If so, how?

Newspaper	From a community agency
Television	Government communications
Radio	Informally or through personal networks
Online source	Other (please specify)

6. Can you briefly, in your own words and based on your current knowledge, describe what you have heard about smart meters and what smart meters do?

About smart meters and the Victorian roll-out

The information on this page will help you answer the remainder of the survey. It is important that you read this information before proceeding. The Victorian Government has decided to introduce smart meters to all Victorian homes and small businesses.

Smart meters will replace the current manually-read meters. Installation of smart meters began in January 2010, and will continue over four years. To pay for this roll-out, customers' distribution charges will increase by a regulated amount, beginning in January 2010.

Smart metering provides distribution businesses and customers with more information about energy use. Electricity distribution companies will record the energy use of their customers every half hour. Consumers with appropriate hardware will be able to use the additional information from smart meters to monitor their electricity use, enabling them to better manage their consumption.

Smart meters will reduce some costs. Smart meters allow distribution companies to disconnect and reconnect customers more quickly and remotely, reducing connection and disconnection costs. Additionally, distribution companies will no longer have to read meters manually, again reducing costs.

Smart meters are likely to lead to the introduction of 'time-of-use' pricing for consumers that want it. This means that the amount customers pay for electricity can reflect the different cost of supplying electricity at different times. Under time-of-use pricing, electricity prices will be higher at times of peak use, such as the afternoon and evening. At times of low demand, such as overnight and weekends, electricity prices will be lower.

Impacts of smart metering

7. In your opinion, will your organisation's clients or members be affected by the introduction of smart metering?

Yes	Unsure
No	

If yes, in what ways will they be affected?

8. Are there any client/member groups that you believe will be particularly affected by smart metering? (Please list)

Information needs

9. What are the main areas in which your organisation and/or its clients/members require information in relation to smart meters? (Please select as many as are relevant)

How do smart meters work?
What is a Home Area Network (HAN)?
How does electricity pricing work?
What is time-of-use pricing?
How can I make the most of the smart meter and time-of-use pricing?
How do I compare electricity pricing offers?
What is a smart meter?
What do I need to know to prepare my home/business for a smart meter?
What will a smart meter mean for me/my family/my business?
How can I use a smart meter to monitor/manage my consumption of electricity?
Do I have to have a smart meter?

10. Of the above, which is the most important?

11. What information formats would be most useful to your organisation and/or its clients/members?

A website	Power point presentation
Newsletter article/insert	New/digital media tools including audio materials (eg Podcast, YouTube video)
Easy English information	
Call centre/service staff/caseworker speaking points	Information in mass media (newspapers, radio, television)
Visual tools	Other (please specify)

12. Of the above, which are the most important?

Final comments

If you have any further comments about smart meters or this CUAC project, please write below.

Thank you for taking the time to complete this survey. Your input is greatly valued.

Appendix III: List of organisations consulted

Business forum

Property Council of Australia
Victorian Employers' Chamber of Commerce and Industry
Victorian Farmers' Federation

Bendigo community sector forum

Bendigo Rural Financial Counselling Service
St Vincent de Paul Society
Baptcare
Bendigo Family and Financial Services
City of Greater Bendigo
Mount Alexander Shire Council
Mallee Family Care

Melbourne community sector forum

Seniors Information Victoria
Bass Coast Shire Council
Family Works
Springvale Community Aid and Advice Bureau
Darebin Community Legal Centre
Inner South Community Health Service
Family Mediation Centre
EW Tipping Foundation
Good Shepherd Youth and Family Service
Berry Street
National Seniors Association
Brotherhood of St Laurence
Doncare
Environment Victoria
Victorian Local Governance Association
United Housing Cooperative
Community Information Victoria Inc
The Salvation Army
Ethnic Communities' Council of Victoria
Broadmeadows UnitingCare
Monashlink Community Health Service
Moreland Energy Foundation
Knox Infolink
Child and Family Services (Ballarat)
Good Shepherd Youth & Family Services

Broadmeadows UnitingCare
Port Phillip Community Group
St Luke's Anglicare
Williamstown Rental Housing Cooperative
Kildonan UnitingCare
Cranbourne Information & Support
Financial Counsellors

Survey respondents

Mallee Family Care
Kildonan UnitingCare
EACH Social and Community health
Bass Coast Regional Health
Seniors Information Victoria
Council on the Ageing Victoria
Environment Victoria
Community Information Victoria
Brotherhood of St Laurence
Anglicare
Moreland Energy Foundation Ltd
Kadinia Family Trust
Victorian Employers Chamber Commerce Industry
United Dairy farmers of Victoria
Monashlink Community Health Service
Victorian Council of Social Service
Springvale Community Aid and Advice Bureau
Alternative Technology Association