



14 December 2010

By email: utilitymetering@measurement.gov.au

Legal Metrology Policy
National Measurement Institute
PO Box 264
Lindfield NSW 2070

Attention: Electricity Metering

Submission to consultation paper on lifting the exemption for electricity meters under the National Measurement Act

Consumer Action Law Centre (**Consumer Action**) is pleased to provide a submission to the National Measurement Institute (**NMI**) in response to the *Consultation paper on lifting the exemption for electricity meters under the National Measurement Act (Consultation Paper)*.

In summary, we support lifting the exemption for electricity meters from coverage under the *National Measurement Act* (the **Act**). We believe this will help to increase consumer confidence in the accuracy of the electricity bills they receive, particularly in an environment in which smart meters are now being rolled out.

About Consumer Action

Consumer Action is an independent, not-for-profit, campaign-focused casework and policy organisation. Consumer Action provides free legal advice and representation to vulnerable and disadvantaged consumers across Victoria, and is the largest specialist consumer legal practice in Australia.

Consumer Action is also a nationally-recognised and influential policy and research body, pursuing a law reform agenda across a range of important consumer issues at a governmental level, in the media, and in the community directly. Consumer Action has been actively involved in energy advocacy work in Victoria and nationally since the 1990s. Over this time we have provided key consumer input into important national and Victorian energy regulatory processes for consumers, including the current Victorian smart meter rollout and the national smart meter program, initiatives relating

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to improved energy price and product information disclosure following the deregulation of Victorian retail energy prices, and the transition to national non-price retail regulation via the national energy customer framework.

Since September 2009 we have also operated a new service, MoneyHelp, a not-for-profit financial counselling service funded by the Victorian Government to provide free, confidential and independent financial advice to Victorians with changed financial circumstances due to job loss or reduction in working hours, or experiencing mortgage or rental stress as a result of the current economic climate.

Benefits of lifting the exemption for electricity meters under the Act

Consumer Action supports the proposal to lift the exemption for electricity meters as detailed in the Consultation Paper.

We understand that many existing electricity meters have been subject to voluntary pattern approval and verification conducted by the NMI, and we support the initiative of those in the industry who have undertaken these steps. However, we strongly support the exemption being lifted to ensure that, eventually as meters are replaced, consumers can have increased confidence in the accuracy of the usage and billing information gathered through all electricity meters, no matter which retailer or meter they deal with.

We believe that lifting the exemption will bring benefits to consumers, because not only will this enable consumers to be more confident that any bill disputes or errors are not related to the meter, but it will also enable businesses to make a further commitment to their customers on this basis.

At a time when there is an increased focus on rapidly rising energy prices and consumers are facing increasing difficulty in keeping pace with their energy bills, it is essential that electricity meters are verified to be accurate (within the "specified limits of error") and customer bills are based upon a reading of their meter, so that consumers can have confidence that they are only paying for their genuine amount of usage.

Billing errors such as high bills remain a significant reason for consumer complaints to jurisdictional energy ombudsman schemes.¹ The reason for these billing errors vary and can be related to issues such as unseasonal or unusually high use, retailer error and also, at times, meter error. In a large number of cases it is necessary for the meter to undergo testing for accuracy, at a cost to the consumer if there is no error found. It would be highly preferable to know that a meter the subject of a complaint had or had not already been tested and verified.

¹ Energy and Water Ombudsman (Victoria), 2010 Annual Report, Pg 31. See, eg. http://www.ewov.com.au/site/DefaultSite/filesystem/documents/PDF/Annual%20Reports/2010/EWOV_AR_2010_web.pdf

We are also concerned, in particular, that the rollout of smart electricity meters to Australian consumers could further reduce consumer confidence in the accuracy of their bills based upon the fact that it will be harder for consumers to confirm and verify the information made available to them on their bill with what they are seeing on the meter display. It will be essential to the successful rollout of smart meters that consumers can read, understand and rely upon the data displayed by their smart meter. Given that the lifting of the exemption will only apply to meters installed after that time, it is important to remove the exemption now, before smart meter rollouts are more progressed, to ensure all new smart meters are subject to accuracy requirements under the Act.

Sub-meters

Consumer Action notes that lifting the exemption would mean that electricity sub-meters would also become subject to the requirements of the Act. We strongly support this outcome, as we believe all consumers should be entitled to confidence in the accuracy of the information used to bill them for their use of electricity, whether they live in a property with its own metered connection point or in an apartment block, retirement village or other situation in which their bills use data from a sub-meter.

Thank you for the opportunity to comment on your Consultation Paper. Should you have any questions about our submission, please contact me on 03 9670 5088.

Yours sincerely

CONSUMER ACTION LAW CENTRE

A handwritten signature in black ink that reads "Janine Rayner". The signature is written in a cursive, flowing style.

Janine Rayner
Senior Policy Officer - Energy