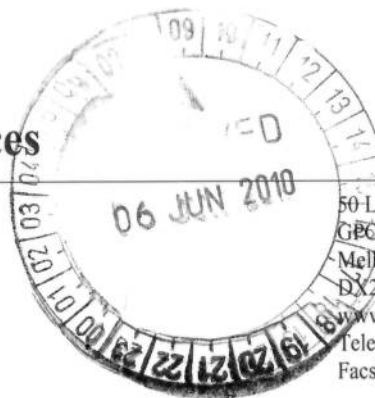




## Department of Human Services

Secretary



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Dr Ron Ben-David  
Chairperson  
Essential Services Commission  
Level 2, 35 Spring Street  
MELBOURNE 3000

Dear Mr Ben-David,

Thank you for the opportunity to respond to your *Regulatory Review – Smart Meters* issues paper. I support the range of measures that the Essential Services Commission is proposing to ensure that electricity consumers continue to receive a high level of protection in Victoria. Please accept this letter as the submission from the Department of Human Services.

The two consumer protections that I encourage you to strengthen the protection beyond the suggestions in your issues paper are the provision of information and contact prior to disconnection.

#### *Provision of information*

As noted in the discussion paper, customers need to be able to choose between retailers and products, to manage their daily consumption and costs, and to review their bills. As advanced metering infrastructure enables greater diversity in electricity products, each of these tasks may become more complex. I am keen to ensure that customers lacking the skills and information needed to manage these essential tasks are supported.

Recent ABS data (the *Adult Literacy and Life Skills Survey*) shows that around one in two Victorians do not have the knowledge and skills required to locate and use information contained in documents such as bills. Literacy skills are correlated with financial resources, so the households who are most vulnerable to electricity costs are most likely to be unable to access information to assist with managing them. Disability, mental health issues and limited English language skills can also limit some households' ability to manage their electricity costs.

The way that information is provided should assist people with limited literacy to choose between retailers and products, to manage their consumption and to check and learn from their electricity bills. This may require consumer education, the provision of information and bill summaries in Easy English, and availability of interpreters and support by telephone.

The minimum requirements also need to include measures that protect vulnerable consumers from unscrupulous marketing and inadvertent mistakes. This could include a requirement for retailers to check that all households who have registered their concession card are on the most cost effective tariff for their consumption patterns. It could also include a requirement that retailers work with households who are on hardship programs or who have rising bills due to increasing consumption at peak rates, to identify and address any gaps in their understanding.

*Contact prior to disconnection*

Given the health and safety risks associated with the disconnection of electricity for some households, I would like to see further customer protections in this area:

- As the paper noted, remote disconnections remove the physical check that may help to identify reasons not to disconnect a household. For this reason retailers should make multiple attempts to contact households, preferably using at least two different methods, immediately prior to disconnection.
- The additional steps currently provided for households registered with hardship programs should be extended to all households, or at least all those who have registered their concession card with the retailer, because there are many households under financial strain who have not been identified formally as being in hardship.

The broad range of measures the Essential Services Commission proposes, together with the measures I have suggested above, should ensure that all Victorian households can continue to benefit from Victoria's electricity consumer protections.

If you would like to discuss these matters further, please contact Michelle Roberson, Director, Policy and Client Outcomes on 9096 7215 or [michelle.roberson@dhs.vic.gov.au](mailto:michelle.roberson@dhs.vic.gov.au).

Yours sincerely



Gill Callister  
Secretary