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| Seed Advisory |
| Advice on Privacy for the National Smart Metering Program: Consultation Draft |
| Draft Report for the Energy Market Reform Working Group |
| 13 May 2014 |

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Executive Summary

## Introduction

Background

In December 2007, the Ministerial Council on Energy (“MCE”), now the Standing Council on Energy and Resources (“SCER”), committed to work with stakeholders and the appropriate jurisdictional authorities to review the appropriateness of customer protection and safety arrangements and ensure they remain appropriate where smart meters[[1]](#footnote-1) are rolled out. Consistent with this commitment, SCER is currently developing a national framework to support the roll-out and use of smart meters.

In 2011, as part of its Advanced Metering Infrastructure program review, the Victorian Government commissioned an assessment of the application of privacy regulations for smart metering infrastructure. The assessment undertaken by Lockstep (“the Lockstep Report” or “the Report”) found that privacy controls are relatively strong in the electricity industry and therefore likewise in the smart meter program, with metering data suitably protected[[2]](#footnote-2). However, the Report concluded that there were areas where regulatory requirements should be strengthened and consumers should be better informed as to how their data is kept secure.

The Lockstep assessment took into account the National Privacy Principles (“NPPs”), Victorian regulation and the confidentiality provisions in the National Electricity Rules (“NER”) all as at 2011, and was informed by interviews with industry participants and the submissions to the Victorian Government’s review of its Advanced Metering Infrastructure (“AMI”) program. The scope of the assessment excluded a consideration of the adequacy of national privacy legislation, any proposed changes to national privacy legislation, the privacy legislation in States and Territories other than Victoria and, whether there are other relevant issues in the National Electricity Law and Rules.

Since the Lockstep Report was prepared, the *Privacy Amendment (Enhancing Privacy Protection) Act 2012* (Cth) (“Amending Act”) was passed by the federal Parliament on 29 November 2012 and will become effective in March 2014. The Amending Act implements the Government’s first stage response to the Australian Law Reform Commission’s Report into Privacy. The Amending Act contains the Australian Privacy Principles (“APPs”) as Schedule 1. The APPs will replace the Information Privacy Principles (“IPPs”) and NPPs as a single set of privacy principles applicable to government agencies and private organisations (APP entities).

As part of its work program, the Energy Market Reform Working Group (“EMRWG”) is currently considering whether the findings and recommendations from the Victorian assessment are generally applicable nationally and warrant consideration for broad application. The EMRWG is seeking to answer: whether there are any material differences in jurisdictional privacy legislation that impact on the applicability of the Victorian recommendations to other jurisdictions[[3]](#footnote-3); the ability to implement the recommendations as part of national energy regulation; and on any adverse outcomes that may occur due to interactions with the energy laws.

1. For the purpose of this report, Smart meters are meters that are consistent with the approved minimum smart meter functionality requirements. [↑](#footnote-ref-1)
2. The Lockstep *Privacy Impact Assessment Report*, Version 1.2, August 2011 [↑](#footnote-ref-2)
3. Subject to specific limitations in the case of Western Australia and the Northern Territory: see Section 2.2.1. [↑](#footnote-ref-3)