



Brotherhood  
of St Laurence

Working for an Australia free of poverty

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By email: [khayen.prentice@esc.vic.gov.au](mailto:khayen.prentice@esc.vic.gov.au)

Khayen Prentice  
Regulatory Review – Smart Meters  
Essential Services Commission  
Level 2, 35 Spring Street  
Melbourne VIC 3000

Dear Ms Prentice

### **Smart Meters Regulatory Review – Capacity Control and Verifying Bills**

The Brotherhood of St Laurence welcomes the opportunity to comment on the above issues paper and, in particular, the regulation of supply capacity control products.

The Brotherhood is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the Brotherhood continues to fight for an Australia free of poverty, guided by principles of advocacy, innovation and sustainability. Our work includes direct service provision to people in need, the development of social enterprises to address inequality, research to better understand the causes and effects of poverty in Australia, and the development of policy solutions at both national and local levels.

The Brotherhood believes that all Australians have a right to fair and affordable access to basic services, including energy services. Fair and affordable access to essential services helps disadvantaged and low-income people by enabling them to be part of Australia's mainstream society, and by ensuring corporate, government and community sectors all take responsibility for addressing social problems.

As part of our wider efforts to promote social inclusion, the Brotherhood develops and demonstrates effective financial literacy and asset building programs for disadvantaged people to address financial and market exclusion. Given this area of expertise, this submission seeks particularly to give a voice to the experiences of low-income people as consumers in the market for energy services.

We note that the Commission has previously determined that such products cannot be used for credit management purposes until 31 December 2013, when the matter can be considered again. We strongly support this decision, as we remain concerned about households' understanding of such products and risks to health and wellbeing that might result from the rationing of supply. In addition to appliance functions from voltage variation, we are particularly concerned about the risk that supply capacity

control may operate as a de facto disconnection for low income or vulnerable consumers who should more properly be assisted through a retailer's hardship policy.

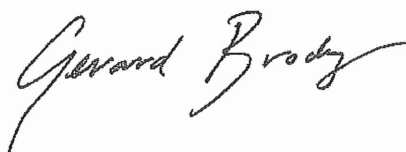
We understand that the Commission seeks to consult on how the supply capacity control function can be used for purposes other than credit management. We remain concerned that the offering of such products, which are ostensibly not for the purpose of credit management, will inadvertently be applied to ration energy use by low income and vulnerable consumers.

Many of the Brotherhood's clients, including pensioners, already ration power usage due to concerns about costs of bills. For these people, bills are paid on time and thus they are not brought into a retailer's hardship policy despite potential risks to their health and wellbeing from under-consumption. Many of these clients might be attracted to a retail energy contract that includes a supply capacity control function even if it is marketed to them as being for purposes other than credit management. For many other clients who do experience high bills or financial hardship due to their energy consumption, such a function might appear useful to limit the likelihood of high bills. In both cases, it is unclear how such clients can be protected from the risks relating to these products, particularly if they have not been previously identified as experiencing financial hardship.

In essence, we are concerned that supply capacity control will inevitably be used for credit management purposes, and have seen no evidence that the function can be used for other purposes to the exclusion of credit management purposes.

Should you have any questions, please contact Gerard Brody or email [gbrody@bsl.org.au](mailto:gbrody@bsl.org.au) on 03 9445 2425.

Yours sincerely

A handwritten signature in black ink that reads "Gerard Brody". The signature is written in a cursive style with a long, sweeping underline.

Gerard Brody  
Senior Manager Financial Inclusion