

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Additional Estimates 8-11 February 2010

Question: PM55a-b

Topic: Progress of smart meters

Type of Question: Written

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- a) **Please provide an update on the status of the staged national smart meter roll out?**
- b) **How is the Government seeking to respond to the recommendations of the COAG Reform Council Report and work towards alleviating the delays with the QLD and WA Governments?**

Answer:

a) The Council of Australian Governments (COAG) agreed in February 2006 to the progressive national roll out of 'smart' electricity meters from 2007. The rollout will take account of different market conditions in each State and Territory, and will occur only where the benefits outweigh the costs for residential users and in accordance with an implementation plan that has regard to those costs and benefits.

In June 2008, the Ministerial Council on Energy (MCE) committed to smart meter roll-outs in Victoria and, subject to the next stage of pilots and trials, NSW. The MCE expects 5 million meters to be rolled out by 2017. The Victorian roll-out has commenced and is being undertaken according to the timeline set by the Victorian Government. The completed Victorian roll-out is expected to include approximately 2.6 million smart meters.

The NSW Government has stated it expects the NSW roll-out to be complete by 2017, subject to the next stage of pilots and trials. NSW distribution businesses are well advanced in testing smart meter applications and are considering the findings of pilots and trials to inform individual business cases.

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Noting that many of the costs and benefits are uncertain and vary significantly in different parts of the country, the MCE agreed to progress further pilots and development of business cases in most jurisdictions to confirm the net benefits and cost risks identified in the initial analysis. The MCE agreed to review further roll-out scope and timelines based on progress in these pilots by June 2012.

b) The COAG Reform Council Report notes that the Queensland Government reported that its pilot implementation timeline was submitted to the MCE in August 2009. The results of the planned pilots by Energex and Ergon Energy will guide future decisions by the Queensland Government and the MCE in June 2012. The Australian Government will continue to liaise with the Queensland Government and monitor the progress of the pilot through the work of the National Stakeholder Steering Committee (NSSC) which is tasked with providing the MCE with an annual pilots and trials update.

The COAG Reform Council Report also notes that the Western Australian Government reported that it had developed a Smart Meters Policy Statement relating to the implementation of smart meters. The Policy Statement indicates that the Western Australian Government will take into account the results of potential trials and further analysis relevant to local circumstances, with a view to informing the MCE in mid 2012. Western Power is proposing to undertake a series of pilots and trials, including approximately 14,000 smart meters, to test a range of demand management tools and technologies. The proposal is currently subject to approval by the Economic Regulation Authority of Western Australia.

The Australian Government will continue to liaise with the Western Australian Government and monitor the progress of the pilot through the NSSC.

Further questions relating to the roll out of smart meters should be referred to the Department of Resources, Energy and Tourism, which has policy responsibility for these matters.