



**Australian  
Privacy  
Foundation**

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<http://www.privacy.org.au/About/Contacts.html>

19 June 2011

Ms D. O'Hara  
Manager of Business Development and Strategy  
ActewAGL  
G.P.O. Box 366  
Canberra City ACT 2601

Dear Ms O'Hara

**Re: Smart Meters**

The Australian Privacy Foundation (APF) is the country's leading privacy advocacy organisation. A brief backgrounder is attached.

We refer to the article in The Canberra Times of Sunday 19 June 2011, 'Meters may smarten up on a grid near you'. This states that your organisation "has been running a small trial of [smart] electricity meters" and that "Any deployment ... will involve comprehensive communication with our customers".

The APF's Policy Statement on Smart Metering expresses serious concerns about the collection, use, storage and disclosure of sensitive personal data, the intensive and ongoing nature of the data collection process, the attractiveness of the data for additional purposes and to other organisations, and the resulting serious risk of function creep. A copy of the Policy Statement is attached.

Because of the great potential for consumer surveillance that the technology harbours, it is essential that a Privacy Impact Assessment (PIA) be a significant component of your organisation's evaluation. In the APF's experience, organisations gain considerably by commencing consultations with civil society at an early stage in the PIA process.

We would appreciate your advice about the nature of the assessment and consultation that ActewAGL is conducting, and how soon you will be engaging with the APF and other relevant organisations.

Thank you for your consideration.

Yours sincerely

Roger Clarke  
Chair, for the Board of the Australian Privacy Foundation  
(02) 6288 1472 [Chair@privacy.org.au](mailto:Chair@privacy.org.au)

## Australian Privacy Foundation

### Background Information

The Australian Privacy Foundation (APF) is the primary national association dedicated to protecting the privacy rights of Australians. The Foundation aims to focus public attention on emerging issues that pose a threat to the freedom and privacy of Australians. The Foundation has led the fight to defend the right of individuals to control their personal information and to be free of excessive intrusions.

The APF's primary activity is analysis of the privacy impact of systems and proposals for new systems. It makes frequent submissions to parliamentary committees and government agencies. It publishes information on privacy laws and privacy issues. It provides continual background briefings to the media on privacy-related matters.

Where possible, the APF cooperates with and supports privacy oversight agencies, but it is entirely independent of the agencies that administer privacy legislation, and regrettably often finds it necessary to be critical of their performance.

When necessary, the APF conducts campaigns for or against specific proposals. It works with civil liberties councils, consumer organisations, professional associations and other community groups as appropriate to the circumstances. The Privacy Foundation is also an active participant in Privacy International, the world-wide privacy protection network.

The APF is open to membership by individuals and organisations who support the APF's Objects. Funding that is provided by members and donors is used to run the Foundation and to support its activities including research, campaigns and awards events.

The APF does not claim any right to formally represent the public as a whole, nor to formally represent any particular population segment, and it accordingly makes no public declarations about its membership-base. The APF's contributions to policy are based on the expertise of the members of its Board, SubCommittees and Reference Groups, and its impact reflects the quality of the evidence, analysis and arguments that its contributions contain.

The APF's Board, SubCommittees and Reference Groups comprise professionals who bring to their work deep experience in privacy, information technology and the law.

The Board is supported by a Patron (Sir Zelman Cowen), and an Advisory Panel of eminent citizens, including former judges, former Ministers of the Crown, and a former Prime Minister.

The following pages provide access to information about the APF:

- Policies <http://www.privacy.org.au/Papers/>
- Resources <http://www.privacy.org.au/Resources/>
- Media <http://www.privacy.org.au/Media/>
- Current Board Members <http://www.privacy.org.au/About/Contacts.html>
- Patron and Advisory Panel <http://www.privacy.org.au/About/AdvisoryPanel.html>

The following pages provide outlines of several campaigns the APF has conducted:

- The Australia Card (1985-87) <http://www.privacy.org.au/About/Formation.html>
- Credit Reporting (1988-90) <http://www.privacy.org.au/Campaigns/CreditRpting/>
- The Access Card (2006-07) [http://www.privacy.org.au/Campaigns/ID\\_cards/HSAC.html](http://www.privacy.org.au/Campaigns/ID_cards/HSAC.html)
- The Media (2007-) <http://www.privacy.org.au/Campaigns/Media/>



## Background

The term 'Smart Grid' refers to a cluster of technologies that are intended to enable energy providers (particularly of electricity, but also gas) to gather real-time data about energy consumption, and thereby adapt energy prices and achieve greater energy efficiency, and greater profits. The measurements are not limited to the 'backbones' services, but extend all the way out to consumers' premises.

Promotional literature suggests that consumers are intended to be a primary beneficiary of Smart Grids. This is claimed to be by means of 'smart meters' and 'in-home displays', which are said to enable a significantly improved capability to achieve energy efficiency and thereby decrease consumers' costs. In practice, installing the necessary consumer-facing capabilities is expensive, the effort involved considerable, and the savings not all that substantial.

On the other hand, even a cursory examination reveals that the technologies involve surveillance of the activities of consumers, in real time, and the retention of data in order to enable comparison of current usage against prior usage patterns. Electrical usage patterns are capable of revealing a considerable amount of sensitive data about people, including occupied premises, premises that are currently unoccupied, empty premises, habitual behaviours, and even the use of individual devices.

This sensitive data is transmitted over networks, and gathered, stored, used and disclosed. Its initial use may be by organisations directly involved in energy supply, and perhaps only for purposes related to energy supply. The data is attractive, however, and will doubtless soon afterwards be applied to a range of other purposes, and passed to a range of other organisations.

Yet worse, the players in the game appear not to have any appreciation that Smart Grid technology could, and by default will, have such impacts. Important among the players are the following:

- recently privatised companies that run electricity supply as a form of corporate gambling venture
- corporations that sell technology to the energy suppliers
- governments that nominally regulate the energy suppliers but in practice continue to draw considerable revenue from them

Given that market structure, perhaps it's less surprising that the players have no interest in the privacy of the people who pay the bills.

So do 'privacy watchdogs' play their role and bring the electricity suppliers, their technology providers, and the State and Territory governments into line? Unfortunately, no.

Privacy protections in Australia are lamentably weak. The private sector provisions in particular were designed to help business, not people. Privacy Commissioners generally have such limited powers that they can do little to assist the public, even if they want to. Recent federal Privacy Commissioners have shown willingness to protect business, but not to use even the limited powers that they have available to them in order to protect people.

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## The APF's Policy Position

1. Smart Grid technologies are potentially highly privacy-intrusive.
2. There is little evidence of the proponents of Smart Grid technologies giving consideration to personal data arising from smart grid operations.
3. There is no evidence of the proponents of Smart Grid technologies engaging with privacy advocacy organisations even in order to gain an appreciation of public concerns, let alone to collaboratively design systems so that they will achieve benefits without severely harming consumers' privacy.
4. As the public gradually becomes aware of the technologies' privacy-intrusiveness and the arrogance of the organisations that are imposing the technologies on consumers, there will be considerable backlash, probably sufficient to cause major financial losses for the organisations involved.
5. The APF expresses serious concern about the manner in which the technologies are being implemented.

6. The APF urges Australian, NSW, Victorian and Queensland Privacy Commissioners to take action to protect people's privacy in the face of 'smart grid' initiatives, and to indicate to proponents that it is essential that such projects be the subject of privacy impact assessments including consultation with consumer and privacy advocates on behalf of the public generally.
7. The APF draws attention to the inadequacy of relying on currently-available overseas publications in the area, including the highly business-friendly document NIST (2010), the more balanced document published by a Privacy Commissioner on behalf of industry (IPCO 2009), and the privacy-positive examination in EPIC (2009).
8. The APF indicates its preparedness to participate in a constructive manner in discussions with proponents of the technologies. The APF's approach to consultations is explained on its [Policy Index Page](#).

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Created: 15 February 2011 - Last Amended: 15 February 2011 by Roger Clarke - Site Last Verified: 11 January 2009

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