



1 December 2010

## **State Government Assistance For Utilities Hardship**

Dr Mike Nahan, the Member for Riverton said the State Government understands that recent increases in utilities charges have severely impacted on people and has put in place assistance to help families and seniors pay their accounts.

"We wish we did not have to raise the prices but unfortunately, when Labor was in government, they kept electricity prices artificially low for seven years despite power generation costs escalating during that period," said Dr Nahan.

"That inaction nearly bankrupted several of our utilities and we had to raise the prices to ensure that they come closer to covering the cost of producing these vital services to the community."

"People simply cannot live without electricity and that has been our focus. It has been a tough decision to increase prices but it was the right decision and Labor knows that."

Dr Nahan said many people can remember the dark days when Labor was in government and there was no electricity for four straight days.

"The system simply went into melt down back then and many people suffered because there was no electricity because of Labor's poor planning and its underinvestment in power generation, maintenance and services," said Dr Nahan.

"When we came to government, our first priority was to ensure the ongoing provision of power to householders. To do that, we had to make certain that Verve was financially solvent so that it could continue to provide electricity and that involved increasing charges. We have followed that tough decision up with a whole raft of assistance to help people who may be experiencing difficulty in paying their bills."

Dr Nahan said everyone needs to conserve our natural resources whether it is electricity, water or any other resource.

"Demand for these vital services is growing and so is the cost of producing them. I encourage all local residents to monitor and conserve their usage wherever possible. Although the increases were necessary, the Premier has repeatedly stated that any increases in utility charges in the future will be moderate," said Dr Nahan.

"I encourage anyone who is having difficulties in paying their accounts to utilise the Hardship Utilities Grants Scheme before their bill becomes due so that they can access the resources that have been put in place to help them. If people would like further information on the assistance that is available, please contact my office on 9457 1282."

### **State Government Assistance:**

The Hardship Utilities Grant Scheme (HUGS) has been set up to assist customers who are unable to pay for their utilities due to financial hardship. Customers can receive a grant of up to 85% of the amount that the household owes to a utility and will be required to pay the remaining 15% of the account. The grant is paid directly to the service provider and is credited on the customer's account.

To access HUGS), contact your service provider (Synergy, Horison Power, Alinta or the Water Corporation) and advise them of your payment difficulties before your account is due. You will be referred to an independent financial counsellor who will assess your case for hardship.

In addition, Centrelink Health card holders, Pensioner Concession card holders and Veteran Affairs Gold card holders are eligible for reduced meter testing fees, a supply charge rebate and an account establishment fee rebate.

WA Seniors card holders are entitled to a rebate on the standard residential supply charge of 38.23 cents a day (\$11.46 per 30 day month).

A fridge replacement scheme is available for Synergy consumers who are cannot be pay their electricity bills; are under threat of disconnection, have been declared in hardship by a financial counsellor referred to by Synergy and who rent their home from a private landlord. They are eligible to receive a new fridge up to the value of \$1,000 to replace a fridge that is more than 7 years old.

A Life Support equipment electricity subsidy is available for patients who use heart pumps, high capacity oxygen concentrators or peritoneal dialysis machines at home.

A Thermoregulatory dysfunction energy subsidy is also available for you or your dependents if you are financially disadvantaged and have medical need to heat and/or cool your home to control the temperature of your home.

In addition, rebates and the Hardship Utilities Grants Scheme grants have been increased in line with the tariff increases:

- The Government has provided a subsidy of about \$164.5 million in 2010-11 to fund the difference between the cost reflective price of electricity and the price paid by customers.
- The Government has also provided a total of \$31.4million over the last two years for increased rebates, the HUGS and hardship measures.
- Additional funding of \$18.8m was allocated in the 2010-11 Budget with a further \$12.6m in the 2009-10 Budget.
- Grants under the HUGS have increased from an average of \$380 (before April 1) to \$450 in areas south of the 26th parallel (i.e south of Carnarvon) and from \$633 to \$750 in areas north of the 26th parallel.
- Decisions about providing further funding for rebates and grants for those people in financial hardship will be made when future tariff increases are considered, which is done on a year-by-year basis.
- Full rebate (average \$86 pa) on electricity supply charges for pensioners, seniors and health care card holders (\$20.5m appropriated).
- The energy rebate (supply charge rebate) increased to \$126.91 on April 1, 2010 and to \$139.60 on July 1, 2010.
- Additional funding allocated in the 2010-11 State Budget also provides for:
  - extra independent financial counsellors; and
  - an efficient water heating scheme for public and community housing
- As well as providing additional funding for rebates and grants, the Government is continuing to work on the tariff and concession review.
  - This will examine electricity pricing structures to help ease the financial impact of rising energy prices on households and consider options for a more equitable concession framework.
  - The Government is working closely with WACOSS as part of the review, which will also include consultation with the public and other relevant stakeholders.

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