



**wacoss**

Western Australian  
Council of Social Service Inc

*Ways to make  
a difference*

# **Horizon Power Assist Report**

**1 July 2008 – 30 June 2009**

**WA Council of Social Service**  
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## **Introduction**

The Western Australian Council of Social Service Inc, (WACOSS) is the peak council of community service organisations and individuals in Western Australia. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist low income and disadvantaged people Australia wide.

As the peak body of the community services sector in WA, WACOSS is committed to working closely with emergency relief (ER) services and their stakeholders on projects aimed at building capacity across the sector. The ER sector in WA consists of approximately 250 agencies and outlets providing direct services in the form of material or financial assistance to people in crisis.

## **The Power Assist Scheme**

WACOSS has had an ongoing sponsorship arrangement with both Synergy and Horizon Power for providing funding for the Power Assist Scheme. WACOSS has supported the Power Assist Scheme since its inception in 1995, and continues to coordinate the funding arrangements, together with the State Emergency Relief Committee (SERC).

In June of 2008 contributions were made from both Synergy and Horizon Power for the 2008-09 round of the Power Assist scheme. Synergy contributed \$75,000 and Horizon Power \$25,000. This funding was used to assist clients experiencing financial hardship or disadvantage who are at risk of disconnection.

WACOSS and the Emergency Relief sector are grateful for the continued support for this valuable scheme which helped approximately 769 households powered by Synergy and Horizon Power throughout the 2008-09 financial year. The scheme is administered by Anglicare with the State Emergency Relief Committee (SERC) acting as a reference committee and WACOSS taking on a co-ordination, support and communication role. WACOSS provides this service as an in-kind contribution to the scheme.

## **Horizon Power Assist Scheme**

In order to run the Horizon Power Assist scheme over the full financial year the scheme was set up to operate for two days every second month. Funding was divided amongst the 6 allocation periods with a total around \$3,210 being allocated for distribution each period.

- WACOSS undertook a review of the operation to identify why the scheme was not having a high participation rate even though the known need was there. The following issues were identified as barriers to take up:
- Less resources and staff in regional areas

- Higher utility bills and the small allocation was thought to be inadequate to avoid disconnection
- Lack of knowledge of the scheme due to information not being passed on to new staff
- Clients needs not falling within the allocation period

To address these issues the following changes to the scheme were made:

WACOSS will continue to work with the Emergency Relief sector to ensure the scheme operates efficiently to meet the needs of the clients seeking assistance. The flexibility of the scheme does depend on the amount of funds which are provided each year by the utility providers.

## Data Collection

During the 2008-09 period the following data was collected:

- average size of accounts
- agency contribution to accounts
- number of children in the family
- breakdown of by suburb and regions applications

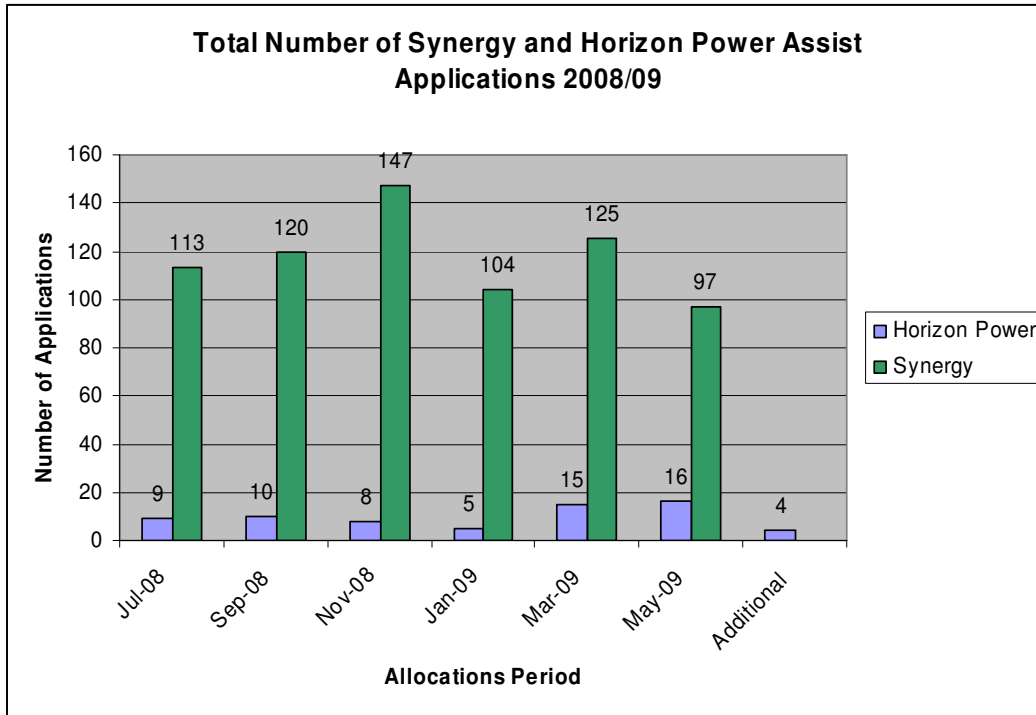
### Number of agencies participating and applications received

A total of 20 emergency relief agencies/financial counselling services from 12 different locations participated in the Horizon Power Assist Scheme from various regional centres. There were 67 applications for assistance.

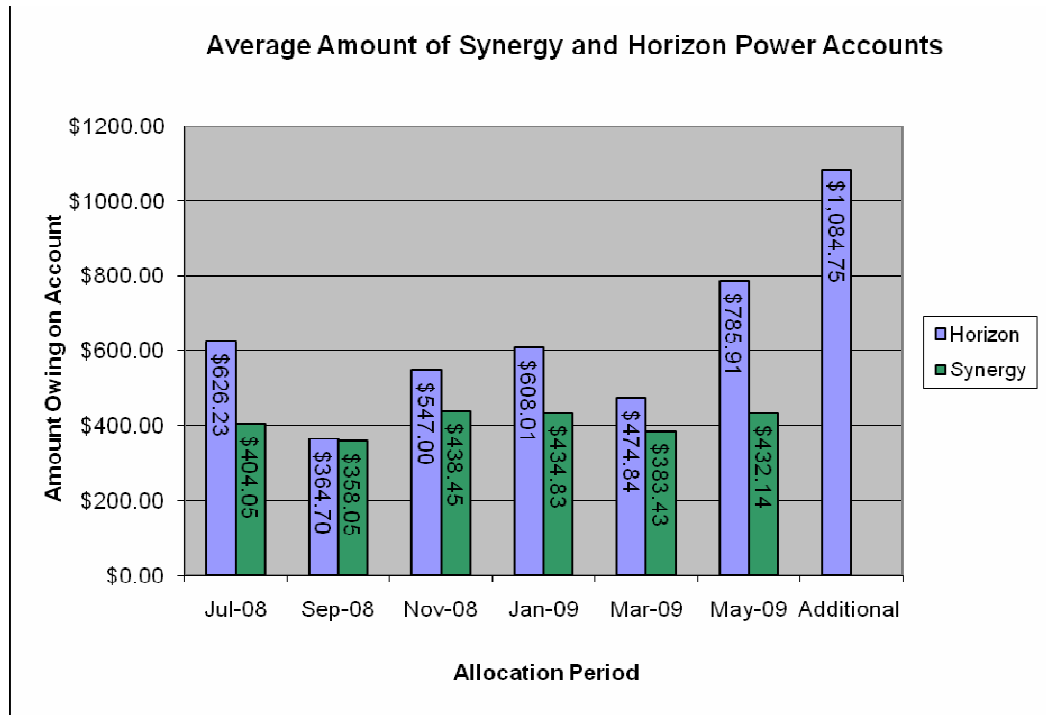
REGIONAL CENTRE	NUMBER OF AGENCIES	NUMBER OF APPLICATIONS
Broome	2	7
Derby	3	14
Wyndham	2	3
Karratha	1	5
Exmouth	1	5
Esperance	2	11
Meekatharra	1	2
Roebourne	1	13
Merredin*	1	1
Carnarvon	2	2
Geraldton*	2	2
Kwinana*	1	1
HUGS Hotline	1	1
<b>TOTAL</b>	<b>20</b>	<b>67</b>

\* Although these centres are not located within Horizon's service area, the Power Assist applications sent by agencies in these centres were for clients with postcodes located outside of the SWIS (i.e. Horizon customers)

Total number of Applications for Synergy and Horizon Power Assist Schemes



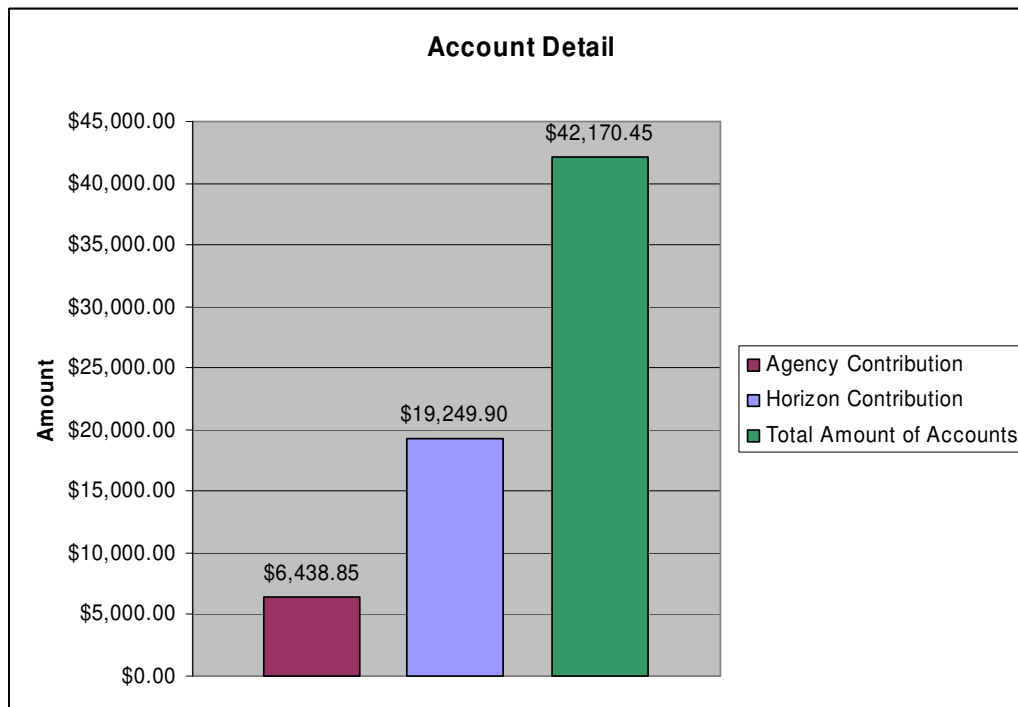
Average amount of Horizon Power and Synergy accounts



On average, accounts from Horizon Power applicants were higher than those from Synergy applicants. This is most likely due to the high cost of power associated with running air conditioners in the north-west where the majority of Horizon Power customers reside.

## Summary of Horizon Power Data Collected

<b>NO. AGENCIES PARTICIPATING</b>	<b>20</b>
<b>NO. APPLICATIONS - HORIZON</b>	<b>67</b>
<b>HORIZON BILL AVERAGE</b>	<b>\$629.40</b>
<b>TOTAL NUMBER OF CHILDREN IN APPLICANTS FAMILIES</b>	<b>141</b>
<b>% OF APPLICANTS FROM KIMBERLEY</b>	<b>35.8%</b>
<b>% OF APPLICANTS FROM PILBARA</b>	<b>26.9%</b>
<b>% OF APPLICANTS FROM ESPERANCE</b>	<b>16.4%</b>
<b>% OF APPLICANTS FROM OTHER AREAS</b>	<b>20.9%</b>
<b>AGENCY CONTRIBUTIONS</b>	<b>\$6,438.85</b>
<b>TOTAL OUTSTANDING AMOUNT ON ACCOUNTS PRESENTED</b>	<b>\$42,170.45</b>



### Account information

Client accounts totalled \$42,170.45 throughout the period the scheme operated during 2008-2009. Of this amount, emergency relief agencies contributed \$19,249.90 towards customer accounts. This amount does not reflect funds used to assist clients who fall outside the Scheme's guidelines, or who cannot access the Scheme for other reasons.

## Applications by Region

Although the spread of applications does partially reflect existing need in areas outside the South West Interconnected System (SWIS) covered by Horizon Power, it is also probable that the data represents the ability of particular agencies to access the scheme.

2008-09 saw an expansion in the number of agencies submitting Horizon Power Assist applications, including (for the first time) applications from Carnarvon and Roebourne agencies among others. However, the number of applications from some areas remains very low. Statistical information on regional poverty would indicate that there are many other rural and remote areas of the State that would benefit by better access to the scheme, particularly around Carnarvon, Meekatharra and Kununurra.

## **2007-08 / 2008-09 Comparative Data**

The Horizon Power Assist scheme expanded significantly during 2008-09. Total applications increased by 27 per cent (from 49 to 67) in 2008-09, while the total amount owing on the accounts presented increased by 40 per cent (from \$25,230 to \$42,170.45) and the total amount spent by Horizon increased by 38 per cent (from \$11,913 to \$19,249.90). Significantly, the number of children in households applying for assistance through the scheme almost doubled from 74 to 141. Although these improvements are encouraging, they should be interpreted as justification of the urgent and continuing need for the Horizon Power Assist scheme to further expand, allowing people living in the most remote areas of the state equal access to the benefits of the program.

	<b>2007-08</b>	<b>2008-09</b>
<b>NUMBER OF ALLOCATIONS APPROVED</b>	49	67
<b>TOTAL AMOUNT SPENT BY HORIZON</b>	\$11,913	\$19,249.90
<b>TOTAL AMOUNT OF ACCOUNTS AS PRESENTED</b>	\$25,230	\$42,170.45
<b>AVERAGE SIZE OF ACCOUNTS AS PRESENTED</b>	\$515	\$837.43
<b>AGENCY CONTRIBUTION TO ACCOUNTS</b>	\$2,104	\$6,438.85
<b>NUMBER OF CHILDREN IN FAMILY</b>	74	141
<b>NUMBER OF AGENCIES</b>	13	20

## **Hardship Utility Grants Scheme (HUGS)**

The Hardship Utility Grant Scheme (HUGS) is an invaluable complement to the Power Assist scheme. While both schemes are aimed at avoiding disconnection for customers experiencing financial hardship, the service each scheme provides and the type of clients they assist are often significantly different. Due to the assessment required to determine eligibility for HUGS, HUGS applications are only able to be carried out by a registered Financial Counselling service. Conversely, the Power Assist scheme can receive Power Assist applications from a significant number of individual Emergency Relief branches. Only a small percentage of clients seeking Emergency Relief are aware of, or have sufficient access to undertake, scheduled Financial

Counseling services. HUGS applications and associated financial counseling provisions require a scheduled 45 minute appointment with an accredited financial counselor. Financial Counsellors are under increased pressure at present as a result of increased demand for services. This has resulted in wait times for financial counselling appointments of up to 4 weeks, making access to this service extremely difficult for people.

In addition to this, it has become evident that some consumer groups, such as Culturally and Linguistically Diverse (CaLD) consumers, have extremely low attendance rates to financial counselling services. This may be due to communication barriers, or not being aware that the service exists. Some CALD clients have relayed that they are not comfortable divulging so much information to someone that they do not know. As such, access to assistance through HUGS for this consumer group is limited. This has become apparent through the HUGS Hotline financial counselling service, which has only received one phone call from a CaLD client since it began in August 2008. In contrast to this, multiple Power Assist applications were received during 2008-09 from CaLD Emergency Relief providers such as the Multicultural Services Centre and Australian Asian Association.

This demonstrates that Power Assist is bridging the considerable gap in service delivery left open by the current HUGS model. Ultimately, whilst HUGS and Power Assist are both schemes aimed at relieving the threat of disconnection for households experiencing financial difficulty or hardship, they deliver differing services according to the guidelines of the scheme and the circumstances of the client. Power Assist is an invaluable service as it allows much broader access to a wider range of disadvantaged clients threatened by disconnection.

## **Economic Trends**

An increasing proportion of Western Australians are set to face economic difficulty within coming years. The 2009-10 State Budget has estimated unemployment will rise to 5.75% over the next 12 months (a significant increase from the 2008-09 figure of 3.25%) and peak at 6.75% in 2010-11.<sup>1</sup> In addition to rising unemployment electricity tariffs have already risen by 10% and will increase again by 15% before the end of 2009. The 2009/10 'tariff glide path' presented in the state budget forecasts a 57.9% increase in electricity tariffs over the next four years, resulting in an average increase of nearly \$800 per year per household by 2012/13.<sup>2</sup> As accounts presented by Horizon Power Assist applicants are consistently higher than their Synergy equivalents, the increase for customers outside the SWIS will be even greater than this figure suggests. The combination of rising unemployment and electricity costs will undoubtedly see a greater number of Western Australians experiencing financial hardship and struggling to manage their electricity bills in the 2009-10 financial year and beyond.

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<sup>1</sup> Department of Treasury and Finance, *2009-10 Budget Overview*, Government of Western Australia, Perth, 2009, p. 14

<sup>2</sup> WACOSS Social Policy Team (Consumer Utilities Project), *State Budget Analysis Presentation: Essential Services*, Western Australian Council of Social Service, 2009, retrieved 15 June 2009, <http://www.wacoss.org.au/>

## **2009 - 2010**

Horizon Power increased its support for the Power Assist Scheme in 2008-2009 from \$15,000 to \$25,000. This allowed greater assistance and improved flexibility to the scheme resulting in a greater number of clients being assisted.

WACOSS on behalf of the Emergency Relief sector and the many families that benefit from the scheme would like to thank Horizon for their ongoing commitment and support for the scheme.

With growing unemployment and increased electricity costs expected in 2009-2010 any extension to the amount of funds allocated to the scheme will continue to assist those people most at risk of financial hardship.

WACOSS has identified long term planning of the scheme as a major issue in being able to roll out an education strategy to the Emergency Relief sector as well as uncertainty to the amounts which will be allocated each year. The following recommendations will assist in the development of a strategy to improve access to the scheme to allow it to operate as widely outside the SWIS as it does within the SWIS.

### **Recommendation**

1. The scheme should be funded on a 3 yearly cycle to assist in planning and promotion of the scheme across services outside the SWIS area.
2. Sponsorship for the scheme to be increased by 10% each year for the next three years.
  - 2009-2010 - \$25,000 to \$27,500
  - 2010-2011 \$27,500 to \$30,250
  - 2011 -2012 \$30,250 to \$33,275
3. A yearly meeting and report be provided to Horizon to provide feedback on the schemes operation and to ensure that it continues to assist in avoiding disconnection of clients in financial hardship