



wacoss

Western Australian
Council of Social Service Inc

*Ways to make
a difference*

Horizon Power Power Assist Report

1 July 2009 – 30 June 2010

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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 over 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 Horizon Power and Synergy 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 Horizon Power advised that they would increase their annual allocation to the Power Assist Scheme for the 2008-09 financial year from \$15,000 to \$25,000 and by 10% each year for the next two years. So in 2009-10 the contribution was \$27,500, which used to assist clients experiencing financial hardship at risk of disconnection.

WACOSS and the Emergency Relief sector are grateful for the continued support for this valuable scheme which helped approximately 813 households powered by Horizon Power and Synergy throughout the 2009-10 financial year. The scheme was 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

During the 2009-10 financial year Emergency Relief agencies were permitted to submit Horizon Power Assist applications at any time throughout the year, which were then processed at the end of each month. There was no limit on the number of applications an agency could submit, however applications were monitored by Anglicare in order to ensure that assistance through the scheme was distributed as widely as possible.

By September 2009 Anglicare reported that some categories on the Horizon Power Assist application forms were consistently being left incomplete by agencies submitting them. In response the form was adjusted and incomplete forms were returned to the agency that sent it. The completed form could then be returned to Anglicare to be processed.

It has always been difficult to judge the number and amount of applications the Power Assist Scheme will receive from regional, rural and remote areas and 2009-10 was no different.

During the previous financial year demand on the scheme was heavy early in the year, but then slowed up in the second half. For this reason WACOSS, along with the SERC and Anglicare, decided to allow applications of up to \$500 for 2009-10.

Subsequently the scheme was heavily used in the first part of the year and payment limits of \$100 (similar to that of Synergy) had to be imposed for the second half of the financial year to ensure there was sufficient funding for the whole year.

For 2010-11 an upper limit of \$250 has been decided upon, which will hopefully allow more consistency across the year. However, applications will be closely monitored in an effort to ensure a more consistent limits throughout the financial year.

Data Collection

During the 2010-11 period the following data was collected:

- Number of agencies participating by town
- Number of application by agency
- Number of applications by town/region
- Account average
- Agency Contributions
- Horizon Power Contributions
- Total Outstanding Accounts
- Number of Children
- Ethnic Breakdown

Number of agencies participating and applications received

A total of 12 support services from 12 different locations participated in the Horizon Power Assist Scheme from various regional centres. There were 82 applications for assistance.

REGIONAL CENTRE	NUMBER OF AGENCIES	NUMBER OF APPLICATIONS
Port Hedland	1	20
Derby	2	19
Exmouth	1	14
Esperance	1	10
Carnarvon	2	7
Wyndham	1	4
Meekatharra	1	2
Kununurra	1	1
Karratha		1
Wiluna		1
HUGS Hotline*	1	1
PMH*	1	2
TOTAL	12	82

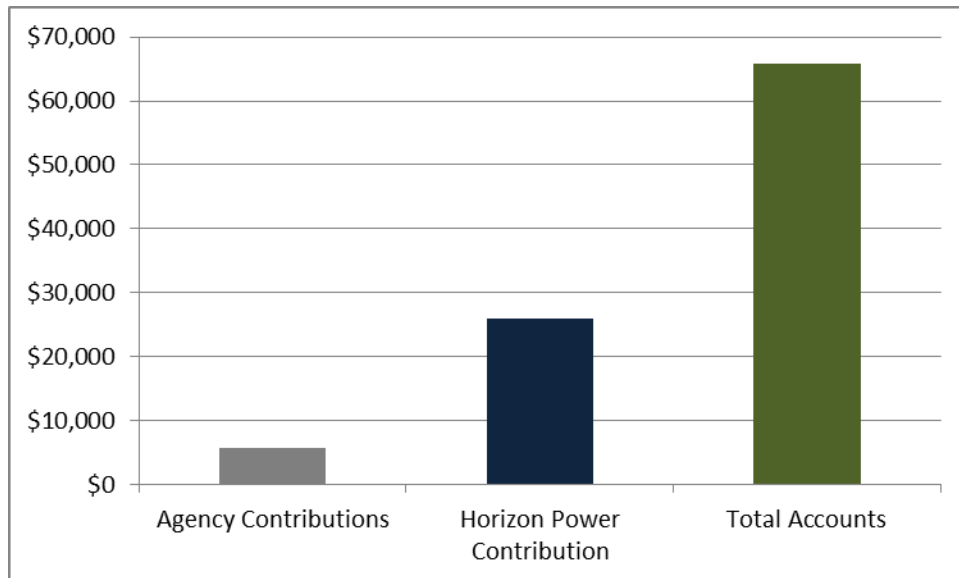
* Although these locations are not in Horizon's service area the applications sent these services were for clients in areas outside of the SWIS (i.e. Horizon customers) Applications from Karratha and Wiluna were submitted by agencies in Port Hedland and Meekatharra respectively.

Summary of Horizon Power Data Collected

NUMBER OF AGENCIES PARTICIPATING	12
NUMBER OF APPLICATIONS	82
ACCOUNT AVERAGE	\$802
CLIENT ACCOUNTS TOTAL	\$65,784
AGENCY CONTRIBUTIONS	\$5,625
HORIZON POWER CONTRIBUTIONS	\$25,871
TOTAL OUTSTANDING AMOUNT ON ACCOUNTS PRESENTED	\$34,288
TOTAL NUMBER OF CHILDREN IN APPLICANT'S FAMILIES	164
ETHNICITY	
Aboriginal/Torres Strait Islander	57 (70%)
English Speaking Background	23 (28%)
Culturally & Linguistically Diverse	2 (2%)

Account information

Client accounts totalled \$65,784 throughout the period the scheme operated during 2009-2010. Of this, the agencies contributed \$5,625 towards account payments. This of course does not reflect the amount of funding used to assist clients who fall outside the Power Assist 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) it is primarily about those agencies that have the resources and skills to access the scheme.

The 2009-10 saw an expansion in the number of agencies submitting Horizon Power Assist applications from 67 in 2008-09 to 82 this financial year. It is of concern however that the number of agencies applying has fallen from 20 to 12. Nonetheless the spread across the Horizon Power geographical area is good.

2008-09 /2009-10 Comparative Data

Although the Horizon Power Assist scheme did expanded significantly from 2007-08 to 2008-09 in terms of the number of agencies applying and the geographic spread, the expansion this year was in relation to the increased number of applications, the total amount owing on accounts and the number of children in households applying for assistance.

Applications increased by 22% (27% the previous year) and the total amount owing on the accounts presented increased significantly by 56% (from \$42,170.45 to \$65,784). The number of children in households applying for assistance through the scheme increased from 141 to 164, which is an increase of 120% in two years.

On the positive side the total amount spent by Horizon increased, which meant that at least for those who applied, the proportion of assistance was more substantial.

	2008-09	2009-10
NUMBER OF ALLOCATIONS APPROVED	67	82 (+22%)
TOTAL AMOUNT SPENT BY HORIZON	\$19,249	\$25,871(+34%)
TOTAL AMOUNT OF ACCOUNTS AS PRESENTED	\$42,170	\$65,784 (+56%)
AVERAGE SIZE OF ACCOUNTS AS PRESENTED	\$837	\$802 (-4%)
AGENCY CONTRIBUTION TO ACCOUNTS	\$6,438	\$5,625 (-13%)
NUMBER OF CHILDREN IN FAMILY	141	164 (+16%)
NUMBER OF AGENCIES	20	12 (-40%)

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, 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 support services. Only a small percentage of clients seeking emergency relief are aware of, or have sufficient access, to undertake scheduled Financial Counseling service visits. HUGS applications and associated financial counseling provisions require a scheduled 45 minute appointment with an accredited financial counsellor. Financial Counsellors are under increased pressure as a result of an increased demand for services. This has resulted in wait times for financial counselling appointments, which makes access extremely difficult for a large number of 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. 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 will experience difficulty paying their electricity bills in coming years. The 'assumed non-contestable tariff glide path' for electricity in the 2010-11 State Budget forecasts a 22.3% increase in tariffs in 2011-12, followed by a 5.6% increase in 2012-13, and a further 6.0% in 2013-14.¹ This equates to an average increase in annual household electricity costs of over \$500 by 2013-14.² 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. These increases, in combination with continued increases in both gas and water tariffs, will undoubtedly see a greater number of Western Australians experiencing energy poverty and financial hardship while attempting to manage their electricity bills in the 2010-11 financial year, and beyond.

2010 - 2014

Figures quoted in this report indicate the urgent and continuing need for the Horizon Power Assist Scheme. The guaranteed increased support of Horizon Power for the scheme has been of great benefit to those Horizon Power customers in remote areas of this State. It has allowed a greater amount of assistance to larger number of people.

WACOSS on behalf of the Emergency Relief sector is very appreciative of the assistance provided by Horizon Power and for their ongoing commitment and support of the scheme.

With the very large increases expected in electricity costs over the next four years, the continuation of the scheme is essential to meeting the needs of those people most at risk of financial hardship.

WACOSS believes that long term planning of the scheme is a major issue and that Horizon Power once again confirm that they are prepared to increase

¹ Government of Western Australia, *Budget 2010-11: Economic and Fiscal Outlook*, 20 May 2010, p. 233

² Western Australian Council of Social Service, *The Increasing Cost of Living in WA*, August 2010, p. 13

their contributions to the scheme over the next three years. This will assist WACOSS and the SERC in developing a strategy to improve access to more people in more locations across the State.

Recommendation

1. The Horizon Power Assist Scheme be funded on a 3-yearly cycle to assist in planning and promotion of the scheme across services outside the SWIS area.
2. Sponsorship of the scheme be in accordance with the proposed increase in electricity tariffs over the next three years.