



wacoss

Western Australian
Council of Social Service Inc

*Ways to make
a difference*

Synergy 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 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 to provide funding to 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 2009 Synergy contributed \$75,000 for the 2009-10 round of the Power Assist scheme. This funding was used to assist clients experiencing financial hardship or disadvantage who are at risk of disconnection.

Synergy Power Assist Scheme

WACOSS and the Emergency Relief sector are grateful for the continued support to this valuable scheme which helped in excess of 700 households powered by Synergy in the 2009-10 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.

Currently the Synergy Power Assist Scheme operates for two days every second month, and assists on average 122 families per allocation period.

Funding was divided amongst the 6 allocation periods with a total of around \$12,180 being distributed to clients in each bi-monthly period. The Scheme is an important tool in aiding clients who seek assistance with bill payment. Despite the fact that agencies are only permitted to submit three applications each per allocation period (a total of 18 per year) demand for the Synergy Power Assist scheme in 2009-10 again consistently exceeded the funds available.

WACOSS is aware that many more Western Australians seek assistance in managing their utility debt through Power Assist but are turned away due to the limitations of the scheme. The most frequent feedback provided to WACOSS through emergency relief services is that the scheme be expanded to operate monthly and assist more people.

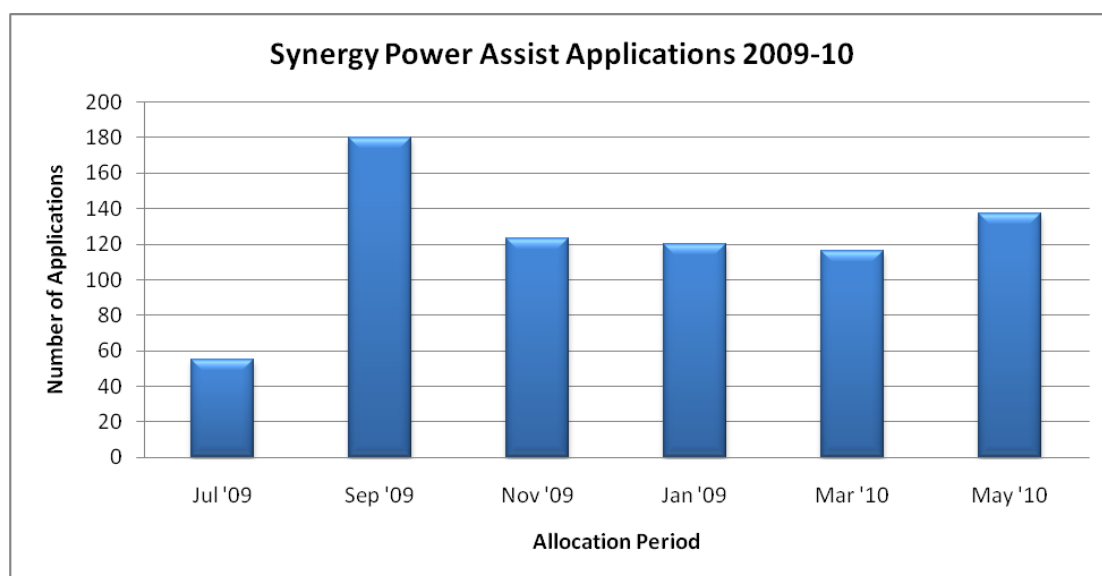
Summary of Synergy Power Assist Data Collection 2009-10

NUMBER OF AGENCIES PARTICIPATING	134
NUMBER OF APPROVED APPLICATIONS	731
SYNERGY BILL AVERAGE (MEAN)	\$464.41
TOTAL NO. OF CHILDREN IN APPLICANT FAMILIES	123
% OF RURAL SYNERGY APPLICANTS	26.27% (192)
% OF METRO SYNERGY APPLICANTS	73.73% (539)
AGENCY CONTRIBUTIONS TO ACCOUNTS	\$23,865.94
TOTAL OUTSTANDING AMOUNT ON ACCOUNTS PRESENTED	\$339,487.04

Number of agencies participating and applications received.

In 2009-10 the Synergy Power Assist scheme saw a total of 731 applications for assistance approved. During the year 134 emergency relief agencies/financial counselling services participated in the scheme.

September was the busiest period for the scheme, with 180 applications for Synergy accounts approved.

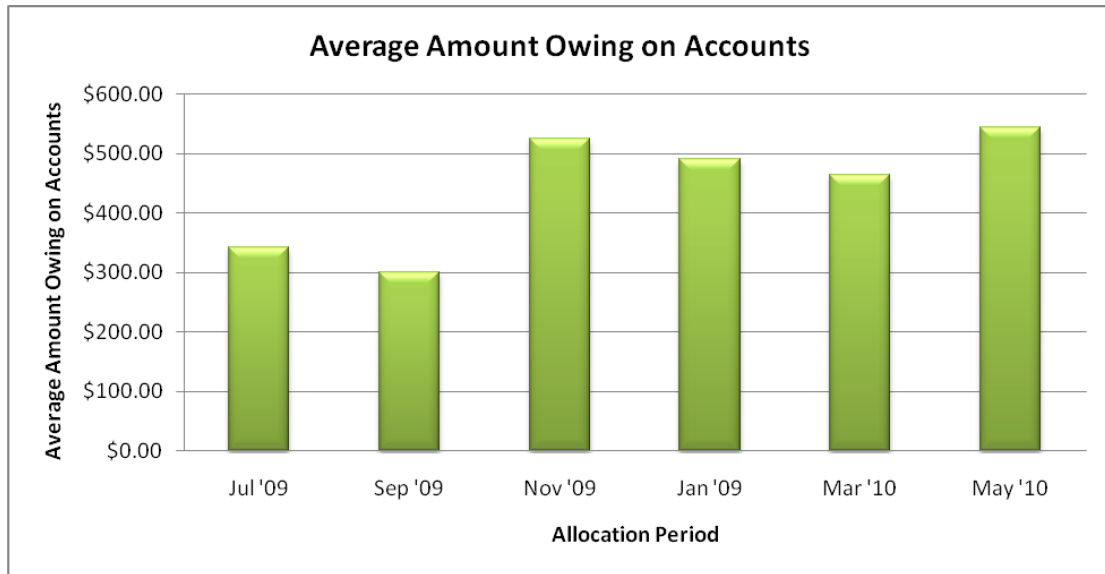


Average amount of client accounts

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.

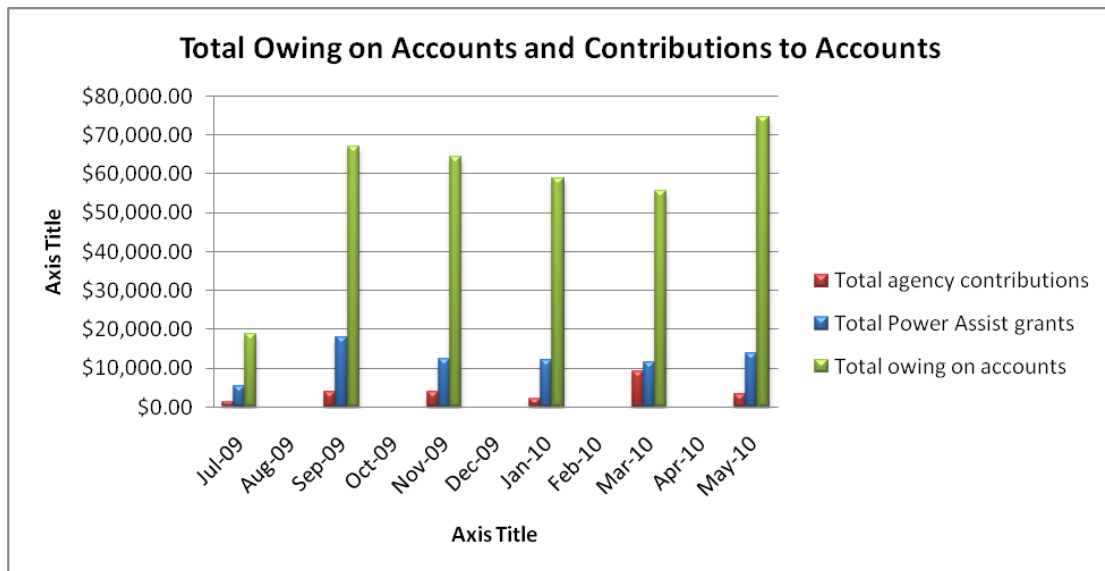
Unlike 2008-09, Synergy account averages varied throughout the year, from \$299.56 in the September 2009 round to \$544.49 in the May 2010 round. The mean average for synergy accounts over the course of the year was \$444.10. It is important to note that as Power Assist is designed to keep people from being disconnected, clients presenting accounts with large amounts owing are not likely to have their application approved (as the \$100 grant will often not be enough to avoid disconnection). This

means that although high, the average amount owing on accounts receiving Power Assist grants is likely to be lower than the average amount owing on all accounts presented to agencies throughout the year.



Account Information

Of the applications received during the period the scheme operated, client accounts totalled \$339,487.04. Of this amount emergency relief agencies contributed \$23,865.94 towards customer accounts. This amount does not reflect funds used to assist clients who attend an agency but fall outside the schemes guidelines or cannot access the scheme for other reasons.



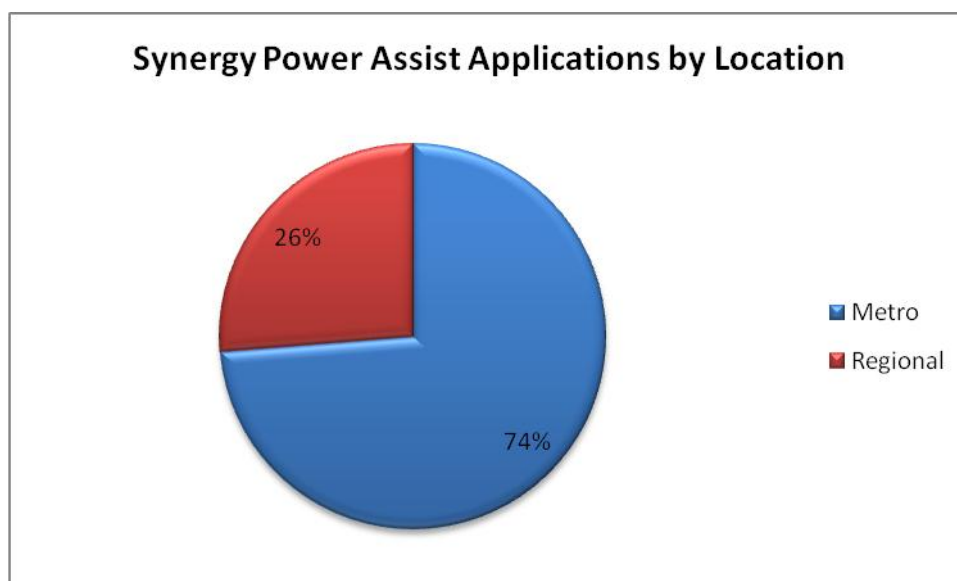
Approved Applications by Location

Postcode data for each applicant is collected to examine areas of highest need. The postcodes which received the highest number of approved applications were as follows:

Postcode	Suburb/s	# Applications
6210	Mandurah and surrounding areas	38 approved
6061	Balga, Mirrabooka, Nollamara, Westminster	32 approved
6163	Bibra Lake, Coolbellup, Hamilton Hill, Hilton Kardinya, North Lake, O'Conner, Samson, Spearwood	29 approved
6280	Busselton and surrounding areas	29 approved

The postcodes listed above consistently rank within the highest range of applications approved within the scheme. As in 2008-09, the greatest number of approved power assist applications were from customers residing in the Mandurah and Balga areas. Gosnells, which received the same number of applications (31) as Mandurah and Balga in 2008-09, was one area in which applications decreased significantly in 2009-10 (down to 20).

Metropolitan clients comprised 73.73% of total applications, with regional clients representing 26.2%. This equates to a slight increase in the percentage of regional clients receiving Power Assist grants.



2008-09 / 2009-10 Comparative Data

	2008-09	2009-10
NUMBER OF APPLICATIONS APPROVED	706	731
TOTAL AMOUNT SPENT BY SYNERGY	\$70,600	\$73,100
AGENCY CONTRIBUTION TO ACCOUNTS	\$26,729.95	\$23,865.94
TOTAL AMOUNT OF ACCOUNTS	\$287,273.44	\$339,487.04
AVERAGE SIZE OF ACCOUNTS	\$408.49	\$444.10
NUMBER OF CHILDREN IN FAMILY	1080	1239
NUMBER OF AGENCIES	170	134

The comparative data shows marked increases in both the total amount owing on accounts and the average size of a client's account. The total amount owing on accounts increased by \$52,214 (more than 18%) from 2008-09 to 2009-10, whilst the average size of an individual account increased by \$38. These notable increases reflect the growing and accumulative financial burden of recent tariff increases on Western Australian households.

Agency contributions to accounts decreased slightly in 2009-10. This is most likely due to an increased funding and awareness of the Hardship Utility Grants Scheme (HUGS). It is important to note that this agency figure only relates to money paid towards accounts that have had a Power Assist grant approved and does not represent the total figure spent on utility accounts by agencies across the state in any way. Given the large increases in amounts owing on applicant accounts, the small decrease in agency contributions does not indicate a decrease in utility hardship.

The scheme continues to operate at a limit well below the need existent within the community. If Synergy funding were to be increased so too would the number of eligible households (and children) the scheme is able to assist in avoiding disconnection.

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 was confirmed by WACOSS's experience in operating the HUGS Hotline financial counselling service pilot project from August 2008 to August 2009. In the first 9 months of operation the hotline received zero phone calls from CaLD clients. It was not until the final months of the pilot, after persistent efforts by WACOSS to encourage CaLD organisations to promote the scheme, that it received its first CaLD client. In contrast to this, Power Assist data shows the scheme is well utilised by both CaLD Emergency Relief organisations as well as CaLD clients.

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.

2010 - 2011

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

Synergy funding to the Power Assist scheme in 2009-10 remained at \$75,000. Given the continued rejection of applications for assistance throughout the year due to insufficient funds within the scheme this level of funding has proved to be inadequate in meeting the existing need within the SWIS.

With a further 10% increase to electricity tariffs planned for 1 July 2010,¹ and the State Government assumed non-contestable tariff glide path forecasting a 22.3% increase in 2011-12,² utility affordability will become an issue for an increasing number of Western Australians in the coming years. Future funding must not only meet pre-existing need but also take into account the greater number of Synergy customers likely to face utility hardship in the context of future tariff increases..

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. This is further obstructed by uncertainty in the amounts which will be allocated each year. Horizon Power addressed this issue in 2009-10 by committing to a 3 year funding cycle for the Horizon Power Assist scheme. The following recommendations will assist in meeting the needs of Synergy customers experiencing increased likelihood of financial hardship over the next three years.

Recommendation

1. The Synergy Power Assist scheme to be funded on a 3 yearly cycle to aid in the planning and promotion of the scheme across services inside the SWIS area.
2. Sponsorship for the scheme to be increased to \$200,000 in 2009-10 (in accordance with the level of funding provided to other schemes such as the AlintaCARE scheme) and by 10% each year thereafter.
 - 2009-2010 - \$200,000
 - 2010-2011 - \$220,000
 - 2011 -2012 - \$242,000
3. An annual meeting and report be provided to Synergy to provide feedback on the schemes operation and to ensure that it continues to assist in avoiding disconnection of clients in financial hardship.

¹ *Electricity and Gas Tariffs Set to Rise* (Media Release), Western Australian Council of Social Service Inc., 8 March 2010, http://wacoss.org.au/images/assets/eNews_231/WACOSS_MR_Gas_and_Electricity_Price_Rises_08_03_2010.pdf

² *Budget 2010-11: Economic and Fiscal Outlook. Budget Paper No. 3*, Government of Western Australia, 2010, p. 233