



**wacoss**

Western Australian  
Council of Social Service Inc

*Ways to make  
a difference*

# **Horizon Power Assist Report**

**1 July 2007 – 30 June 2008**

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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 it's inception in 1995, and continues to coordinate the funding arrangements, together with the State Emergency Relief Committee (SERC).

In June of 2007 contributions were made from both Synergy and Horizon Power for the 2007/08 round of the Power Assist scheme. Horizon Power made a contribution of \$15,000 with Synergy providing \$75,000 to the Scheme. This funding was used to assist clients experiencing financial hardship or disadvantage and 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 700 households throughout the 07/08 financial year (combined scheme). 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**

During 2007 round the Horizon Power Assist Scheme operated on the same dates as the Synergy Power Assist Scheme i.e. two nominated days every second month.

For the July allocation period there was only one application received and a payment of \$137.65 was made. For the following two allocation periods (September & November) there was a total of eight applications and \$2100 was paid.

It was clear at that stage that the two allocation dates every second month was not meeting the needs of the regional agencies, even though the known need for assistance in these areas is just as great. Only having the two allocation dates every second month is also the most common issue raised with WACOSS by emergency relief providers in relation to the scheme and there have been numerous requests to widen the scheme to operate monthly.

It was therefore decided to trail a pilot scheme from March to June 2008, during which time agencies could apply at any time for Horizon Power Assist and applications would be processed at the end of each month.

In addition, general applications were raised to \$200 and another category of 'Extreme Financial Hardship' was developed for bills over \$250.

In order to apply for this category the client had to meet the following criteria:

- Have a payment plan in place
- Have ongoing support from the agency applying for the scheme
- Have a bill of \$250 or more
- Be experiencing financial hardship

The client also had to meet one or more of the following criteria:

- A medical condition
- Have dependent child/ren
- Been assessed by a Financial Counsellor
- Escaping domestic violence
- Dealing with a family separation
- Recently becoming unemployed
- No income (eg. Centrelink breach)

The agency was asked to provide a brief summary of the client's circumstances.

Between January and the end of May the remainder of the Horizon Power Assist Scheme allocation (\$11,913) was distributed in response to 49 applications, with an average payment of \$243. The bills submitted for assistance averaged \$555.

The monthly pilot scheme appeared to be a more 'user friendly' process and reflected the real need out there. However, the demand increased to such an extent that the percentage of each bill that could be met dropped dramatically, from 78% in January, to 53% in March, to less than 25% by the end of May, when the funds were finally expended.

It is clear the Scheme is an important tool in assisting clients who seek assistance with bill payment. But it is also clear that during 2007/08 the demand far exceeded the amount of funds available.

Although this pilot allocation process did highlight the real demand in regional areas, allocation became unbalanced over that six month period, with those applying towards the end of the period receiving only a third of what was being allocated earlier in the year.

The pilot has shown that the allocation process used for the Horizon Power Assist Scheme has to be different to the Synergy Scheme, but that it also needs to be a more balanced process over the 12 month period.

## Data Collection

During the 2007-08 the following data was collected:

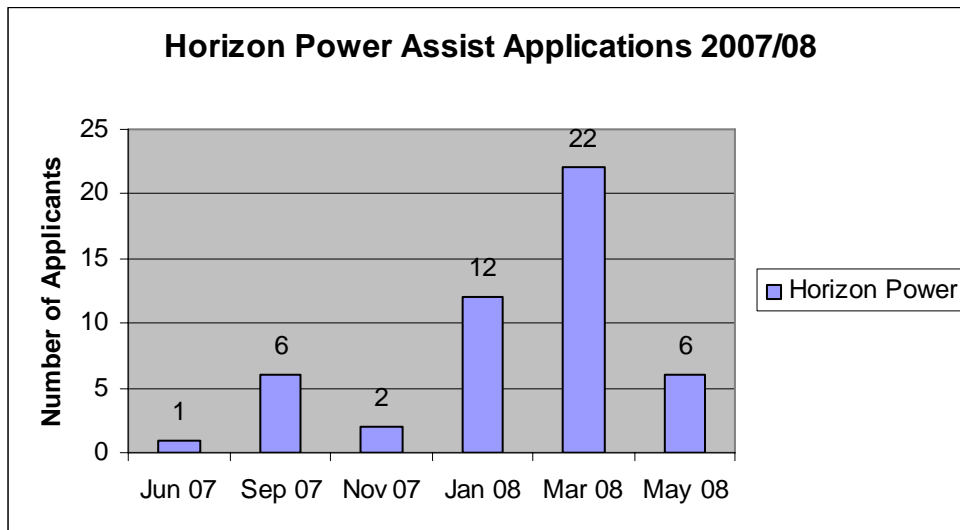
- average size of accounts
- agency contribution to accounts
- number of children in the family
- breakdown of by suburb and regions applications

### Number of agencies participating and applications received

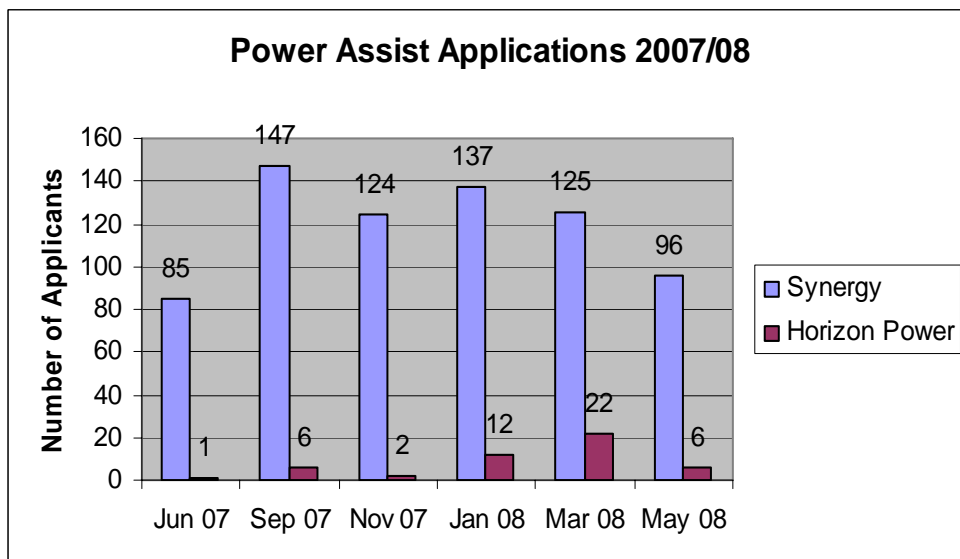
A total of 13 emergency relief agencies/financial counselling services participated in the scheme from eight different regional centres. There were 49 applications for assistance.

REGIONAL CENTRE	NUMBER OF AGENCIES	NUMBER OF APPLICATIONS
Broome	2	15
Derby	2	5
Wyndham	2	3
Port Hedland	1	8
Karratha	2	2
Exmouth	1	1
Esperance	2	14
Meekatharra	1	1
TOTAL	13	49

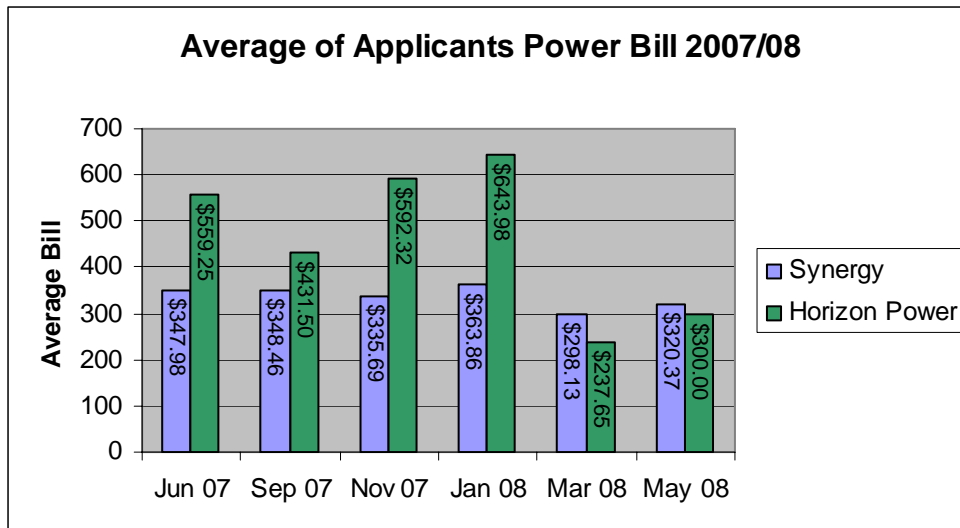
Number of Horizon Power Assist Scheme Applications



Total number of Applications for Synergy and Horizon Power Assist Schemes



Average amount of Horizon and Synergy accounts

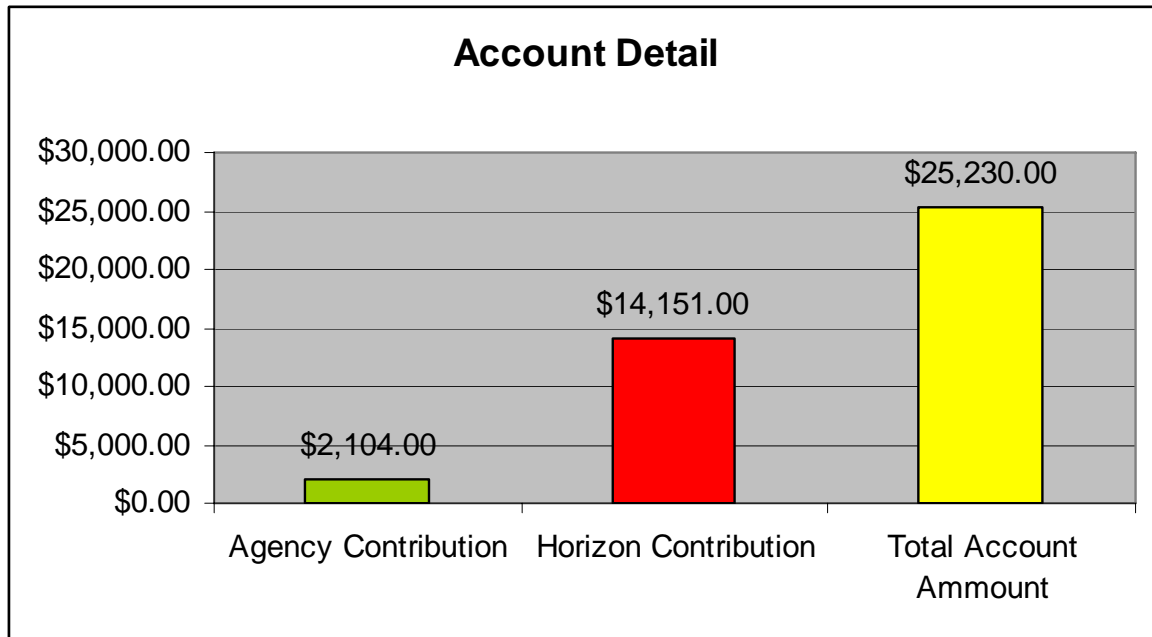


On average, the accounts from Horizon power applicants are higher than Synergy. This is likely to be due to a high cost of power associated with running air conditioners in the north-west where the majority of Horizon Power customers reside.

In relation to the 'Extreme Financial Hardship' category, figures were collated from February to May. These showed that in nearly 30 per cent of cases, the major cause of large, overdue electricity bills related to medical requirements. Clients in over 50 per cent of the remainder of applications were undertaking financial counselling in an effort to prevent further financial problems.

**Summary of Horizon Data Collected**

<b>Number of agencies participating</b>	<b>13</b>
<b>No of Applications - Horizon</b>	<b>49</b>
<b>Horizon Bill Average</b>	<b>\$515</b>
<b>Total number of children in applicants families</b>	<b>74</b>
<b>% of Applicants from Kimberleys</b>	<b>47%</b>
<b>% of Applicants from Pilbara</b>	<b>22%</b>
<b>% of Applicants from Esperance</b>	<b>29%</b>
<b>% of Other Applicants</b>	<b>2%</b>
<b>Agency contributions</b>	<b>\$2,104</b>
<b>Total outstanding amount on accounts presented</b>	<b>\$8,975</b>



### Account information

Client accounts totalled \$25,230 throughout the period the scheme operated during 2007/2008. Of this amount, emergency relief agencies contributed \$2,104 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 reflect the need in the areas covered by Horizon Power, it probably also reflects the ability of particular agencies to access the scheme. The pilot also highlighted the need for greater flexibility in relation to regional distribution.

Statistical information on regional poverty would indicate that there are many other rural and remote areas of the State that would benefit by accessing the scheme, particularly around Carnarvon, Meekatharra and Kununurra.

## **Increase in Funding**

WACOSS has requested that Horizon Power increase its support for the Power Assist Scheme from \$15,000 to \$25,000, in order to provide greater assistance and flexibility to the scheme.

If Horizon Power does agree to an increase in funding WACOSS will undertake a consultation process with the emergency relief sector and financial counsellors to determine the most effective process of implementing the Horizon Power Assist Scheme across all relevant areas of the State.

The outcomes of the pilot conducted over the past six months will be reviewed, to determine how assistance can be distributed more equitably and to examine what strategies can be put in place to improve the spread of applications.

## **Recommendation**

1. Due to the rising cost of living, particularly in rural and remote areas as a result of increasing fuel and energy prices, WACOSS would like to propose that the sponsorship of the Horizon Power Assist Scheme be continued, with the amount being increased from \$15,000 to \$25,000.
2. WACOSS would also like to request that, due to the high cost of administration, the fee that can be deducted for this be increased to 10 per cent of the total sponsorship amount.