

HORIZON POWER — ELECTRICITY COSTS — KIMBERLEY

Grievance

MS J. FARRER (Kimberley) [9.11 am]: My grievance this morning is to the Minister for Energy. A huge number of people in the Kimberley have had extreme power bill increases this year. Some people have had a rise of 400 per cent either in their last billing period or compared with their bill from the same time last year. Residents across the region are shocked and outraged, and have stated that they simply will not pay the bills until the minister conducts a public review of smart meters and billing practices of Horizon Power.

Families are struggling in my electorate. Many feel stranded in a sense of hopelessness and cannot afford to pay for their basic living expenses. One father wrote on a local discussion page as follows —

... our low bill at Christmas. We hated our \$1400 catch up bill late February. Little does Horizon Power know the economic repercussions to the Broome community and business/individual/family spending especially coming up to the end of the wet season. Incompetent billing is no excuse. They should be held accountable for a lot of Kimberley peoples hardship in the following months playing catch up.

In the past month, Horizon Power has been inundated with furious customers, such as the father I just mentioned, calling and demanding explanations of how it can be possible to receive bills of over \$2 000 when their previous bill was only \$500, and requesting re-reads of their meters. Apparently, Horizon Power staff have explained to customers who call that the meter readers who knew they were soon to become unemployed due to the installation of new smart meters decided that instead of doing the readings, walking from house to house, they would sit at home and punch in the readings from there, so they were effectively making up the meter readings.

If a contractor undercharges for a job, surely they cannot go back later and ask for more. Something has gone wrong at the provider's end—a government-owned provider. This government must be held accountable and compensate the consumers. The vast majority of residents in the Kimberley do not even have the option of converting to solar power because this government refuses to invest in cleaner, smarter and more affordable power solutions in regional Western Australia. Last week I addressed the Premier's statement and spoke on resources that need to be explored so that options are made available. I mentioned that wind, water, tidal, solar and hydro power could be a lot more effective.

This government needs to get serious about supporting families—all families right across the Kimberley. The government must act now and alleviate the extreme and unfair costs of living in the regions. It must reduce the cost of electricity and implement all that is required for solar power availability. Surely this is commonsense, especially for the Kimberley region where we have a lot of sunshine. The government needs to change the current regulations prohibiting my electorate from maximising the availability and use of solar power. Minister, please take note.

The large increase in the cost of power, especially for the lowest paid people in the community, is absolutely unfair and is causing unnecessary hardship and huge amounts of stress for many single parents I know personally. These families budget every cent of their income based on previous bill amounts. To then receive an unexpected \$2 000 power bill right after Christmas, and with six weeks of school holidays, has brought parents to tears. I can tell members that I have seen some of these people cry, and I truly feel for them.

We need an energy game changer. We need to support solar power, energy efficiency and energy storage. This government must create cleaner, smarter and more affordable power for WA. I urge the Minister for Energy to immediately conduct a public review of the efficiency of smart meters and energy pricing. Please take note of the request of the Kimberley people. Thank you.

DR M.D. NAHAN (Riverton — Minister for Energy) [9.16 am]: I thank the member for Kimberley for her grievance; I am aware of the issue. Firstly, we have uniform tariffs for residential and small business consumers around Western Australia; that is, they all pay the same, irrespective of the cost of providing that. Of course, in the Kimberley the cost is much higher than it is here in Perth. On top of that, we subsidise all electricity consumption, even in Perth. We have the most heavily subsidised electricity in the nation. On average, outside the metropolitan area, in Horizon Power's network, we subsidise residential houses to the tune of \$3 000 per annum. That subsidy will be much higher in the Kimberley. We have uniform tariffs based on Synergy's tariffs here, and Synergy's tariffs are subsidised. We also have a very extensive and successful promotion scheme for renewable energy. It has been widely taken up in areas such as Broome and Carnarvon and around Horizon's area. Indeed, the take-up has been so successful in Broome that we are reaching capacity limitations, so to overcome those capacity limitations, we are now experimenting with battery technology that allows storage of solar-generated electrons during the day to use at night to overcome the capacity limits. No government of Western Australia has done more than we have to promote solar energy around

Western Australia, particularly in the regions, and that is the reason that solar energy is being taken up and has been taken up so rapidly in this state. The facts tell the story.

The issue at hand is that during November and December there was a whole range of incorrect readings of meters—almost 1 275 customers in the Kimberley. As the member said, Horizon found out about that and put out a press release stating that it was human error. As the member for Kimberley put it, it appears it was not just human error. We are rolling out smart meters, which is again another example of our reform in energy. Smart meters have all sorts of benefits, particularly in regional Western Australia. Firstly, some of the meters are now very old, clunky and prone to inaccurate readings. Secondly, they are very expensive to read because we have to send people out to the far flung communities of the Kimberley and rural Western Australia, and often they are not read on a regular basis, or are read improperly or inaccurately. Because those smart meters are monitored by the web, we can find out when they are at fault, what the fault is, whether there are some issues with the community, whether or not, for instance, some communities have left electricity on or whether their electricity use has shot up. It provides instantaneous, remote feedback to Horizon Power on the uses and characteristics of energy. We are spending \$34 million on rolling out smart meters to every consumer in Horizon Power's network. It is not paying for that. The government, through royalties for regions, has committed to fully fund the investment. The community is very pleased with that for a variety of reasons that I mentioned.

I go back to the facts at hand. During November and December, we shifted to remote smart meters and Horizon Power contracted out the meter reading, and those contracts will end. At least one, maybe more, of the meter readers made errors and significantly understated the readings in November and December. I think the member for Kimberley probably has it wrong. There are indications that they did not read the meters because in the time between readings it would have been impossible to go from house to house. Nonetheless, that is the fact. Horizon Power found out about it and before the next bill was sent out, it indicated to every customer whose meter had been under-read that this had taken place. They were told that the contact was Horizon Power. Anybody who got back to Horizon Power was given an immediate extension to pay their bills and Horizon Power entered into discussion to extend the payment over a period. Horizon Power acted in the correct way. It then started making up for the electrons consumed but not billed in pay period one and future bill periods; it was willing to stretch it out over time. The simple facts are this. First, there was human error—maybe more than that. Second, all the electrons billed were consumed. Horizon Power is not billing consumers for more electricity than was consumed. It has entered into discussions to stretch the bill over time, and \$34 million has been invested around Horizon Power to avoid this in the future by investing in smart meters. I know that an ex-Labor and now Green politician, Luc Maher, is running a campaign to establish a forum encouraging people not to pay their bills. In other words, he is telling the community to not pay their bills even though they are consuming the electricity. That is for him to decide. The matter was also given a number of television spots and the assumption was made that one person's bill had gone up by 400 per cent. This customer failed to mention on TV that he had had a second meter on his property since 2011 that he has never been charged for, so his bill went up because we started charging for the electricity that he had been consuming for five years, which is only fair. Horizon Power has asked ABC TV for a retraction on that issue.

We have reformed the system. For people with significantly subsidised electricity, we have stretched out the payment period. We are doing the right thing. No state government has invested in solar energy like this government has invested.