



Budget Submission for a Medical Cooling Electricity Concession

It is vital that ACT Government implement a Medical Cooling Electricity Concession in the 2012-2013 budget. A concession of \$100 annually would cover approximately one-third of the costs of keeping cool for MS households on low incomes.

People with MS do not have a choice about turning on their air conditioners on hot days and nights, and spend 6 times more keeping cool than average ACT households.

Heat intolerance is a significant medical problem affecting people with MS. As little as 0.02-0.5C increase in core body temperature can significantly increase MS symptoms. Heat intolerance also affects some people with other conditions such as Parkinson's disease, post-polio syndrome, and spinal cord injury.

All mainland states have medical cooling or medical energy concessions to support people on low incomes who have a medical need to keep cool. People in the ACT need similar assistance which can make a big difference in their lives, with minimal costs to government.

People with MS face significant disease-related out-of-pocket costs of almost \$3,700 annually. These out-of-pocket costs, along with (a) rising electricity prices; (b) increasing economic pressures on households generally and (c) increasing number of hot days and nights due to climate change, make it more and more difficult for people with MS (and others) on low incomes to afford their medically required cooling.

The ACT, like most jurisdictions, provides much valued financial assistance for electricity costs to people on low incomes. This however does not address the medical need some people on low incomes have to keep cool.

It is estimated that on average people with MS in the ACT run their air conditioners 1,236 hours annually, at a cost of about \$300 in an effort to stay cool. In contrast, average ACT households spend about \$50 running their air conditioners to keep cool. This is based on current ACT electricity prices of about \$0.15/kWhr.

At a minimum, eligibility should be the same as the current Electricity Concession, with the additional requirement to have a doctor sign-off on the 'medical need' for cooling.

Administratively the simplest approach would be to structure this concession similarly to the existing Electricity Concession – a flat annual rate. Ideally, this much needed support should be indexed annually to residential electricity tariffs so it is not eroded over time.

Alternatively, a percentage-based concession could be established and should be set in such a way to ensure that an average of \$100 annually reaches those who are eligible.

The Medical Cooling Concession should be available to everyone on a low income with a heat intolerant condition, and the total number eligible would be 590 in 2012-2013 (including about 180 with MS).

Uptake will be gradual with first-year costs to the ACT Government of about \$15,000 in the first year, rising to about \$92,000 in five years, and then levelling off as uptake stabilises. Cost at five years assumes electricity price rises of 10% annually (and commensurate rises in the value of the concession), and continuation of existing population growth trend of 1.8% annually.

See the attached *Keeping Cool Discussion Paper for an ACT Medical Cooling Concession* for more information, or contact Dr Michael Summers, Senior Policy Advisor, MS Australia on 0439 324 098, or michael.summers@msaustralia.org.au.