



2009-2010 Budget Submission for a NSW Medical Cooling Rebate

Heat intolerance is a significant medical problem affecting people with Multiple Sclerosis. As little as 0.5C increase in core body temperature can significantly increase MS symptoms. Heat intolerance also seriously affects some people with a wide range of other conditions such as Parkinson's Disease, post-polio syndrome, cerebral palsy and spinal cord injury.

While most of us have a choice about whether or not we turn on the air conditioner, this group does not.

It is proposed that the NSW Government implement a Medical Cooling Energy Rebate of \$125-150 annually for people on low incomes with a medical need to keep cool on hot days and nights.

There are approximately 7-8000 people with a range of heat intolerant conditions in NSW that would be eligible (if eligibility is the same as that in Victoria – including Healthcare Card holders). But it will take many years for full capacity to be reached, with estimated costs to the NSW Government of \$250-300,000 in the first year, and \$726-871,000 in the third year.

Both WA and VIC have energy rebate schemes that assist people on low incomes with a medical need to keep cool pay part of the costs of running their air conditioners. Both of these schemes demonstrate that this very significant need for a small group of people can be met with minimal cost to government.

Of the approximately 6000 people with MS in NSW, around 2000-2500 people with MS would be eligible for such a rebate. Nationally, on average people with MS spend \$3,893 annually on disease related out-of-pocket costs, and 48% have personal incomes of less than \$16,000 per annum, making these extra costs particularly problematic.

These out-of-pocket costs, combined with (a) rising electricity prices; (b) the increasing economic pressures on households generally and (c) the increasing number of hot days and nights due to climate change, mean it is more and more difficult for people with MS (and other heat intolerant conditions) on low incomes to keep cool on hot days and nights.

It is currently estimated that on average people with MS in NSW spend \$250-300 annually operating their air conditioners in an effort to stay cool, and more definitive data will be available in the next few months. A rebate of \$125-150 would cover half of this cost.

At a minimum, eligibility should be the same as the current Pensioner Energy Rebate, with the additional requirement to have a doctor sign-off on the 'medical need' for cooling (such as in VIC and WA). Consideration should also be given to including those with Healthcare Cards to ensure that all of those with low incomes and a medical need to keep cool have access.

Administratively the simplest way forward would be to structure this rebate similarly to the Pensioner Energy Rebate – a flat annual rate. It must be indexed annually to residential electricity tariffs to ensure its value is not eroded over time.

Alternatively, a percentage-based rebate could be established and should be set in such a way to ensure that \$125-150 annually reaches those who are eligible in 2009-2010. This would avoid the need for annual indexation.