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Power bills for low-income earners to fall after Commonwealth and state governments agree to subsidies

Millions of people on income support and welfare payments will have their power bills cut under a \$1.5 billion plan announced on Friday by Prime Minister Albanese.

It is expected power prices will start to fall by mid next year, after the Federal government struck a deal with the states on a package including discounted energy bills for people receiving government payments and some small businesses.

Under the plan the federal assistance will go to the power providers to cut bills before they go to households. The subsidies are temporary.

Chair of Catholic Social Services Australia, Francis Sullivan said the plan would help millions of low-income Australians suffering power stress.

“Energy bills have been on the rise now for years and are hitting people on low incomes the hardest,” Mr Sullivan said.

“This plan will give them some breathing space and a little financial room to move.

“Hopefully, it will mean they can spend more on everyday basics like food, medicines and other essentials that many have been going without as power costs hit record highs during winter,” he said.

While final details on how the payments will be made are yet to be determined, if the \$1.5 billion were shared among all six million recipients of income support under federal social security programs it would amount to \$250 per household.

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