

**STATEMENT BY THE GSLP/LIBERAL OPPOSITION 98/2006**  
**14 August 2006**

EMBARGOED UNTIL MONDAY 14 AUGUST 2006

On 9 March 2005, the Government announced huge increases in water and electricity bills and at the same time stated that the cost of the increases, in the case of old age pensioners, would be practically eliminated because they proposed to introduce a grant of £50 per annum for old age pensioner households.

It took three weeks for the increases to be imposed and it has taken the Government all of 73 weeks to get round to introducing the £50 per annum grant, which they claimed was going to practically eliminate the effect of the increase.

It shows the level of incompetence of this Government that a simple measure like this should take over one year and a half to put in place.

It also highlights the fact that by announcing the measure they did in March, the Government was admitting that without protection pensioner households would face hardship as a result of the increase and obviously they have had to put up with that hardship until the relief has come through.

Even now, it is not happening automatically, and people are required to go through a process of form-filling, producing identity cards or passports and showing that they are the age that they claim to be.

The form that people are being asked to fill in refers to an annual discount on potable water and electricity, suggesting that the sum will not be in the form of a grant, as originally announced, but in the form of a reduction in future bills.

Moreover, for reasons that are not clear, a pensioner household is now being defined as somebody who will be 63 on 30 September 2005 and therefore it means that it should be available to anybody who was 62 years and six months old on 1 April when the increases came in.

This is a new definition of pensioner. It does not require that the person obtaining the discount should have ceased employment or qualified for the statutory social insurance pension if they are male. It also means that female pensioners living on their own will not be entitled even though they may not be working and have qualified for an old age pension and have no other income.

Even though they have been working on perfecting the scheme for 73 weeks, the Government have still not got it right.

A simple explanation may be that Government have the tendency to make pronouncements in budgets and then take no follow-up action to give them effect or amend the legislation that is required. It is almost as if it were a pronouncement from Mount Olympus which is expected to have direct effect.

Given the recent spate of catch-up action that is being directed at different sectors of the community, an additional explanation may be that this is part of a number of pre-election measures currently under way.

The Opposition consider that what the Government should have done is not increase the cost of water and electricity in the first place, and in this way they would have avoided the need to patch up their mistakes later on in the day.

ENDS