



The Salvation Army Australia Territory

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Essential Services Commission
Level 9, 570 Bourke St
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Via email: consumervulnerability@esc.vic.gov.au

The Salvation Army submission – Getting to fair: consumer vulnerability strategy

Dear Chairperson,

The Salvation Army thanks the Victorian Essential Services Commission for the opportunity to comment on the draft three-year strategy. We appreciate the work that has gone into the draft to date and recognise the Commission's commitment to ensuring that consumers experiencing vulnerability are well-supported. Every Victorian relies on essential services. It is therefore crucial to address the access barriers that people experiencing vulnerability encounter.

The Salvation Army is one of the largest providers of social services and programs in Australia for people experiencing hardship, injustice and social exclusion. This includes homelessness services, family and domestic support services, and services to support young people and people in, and at risk of, financial hardship. The Salvation Army also provides support through the different stages of a disaster or emergency. We are often one of the first organisations to arrive on the scene and among the last to leave. This gives us unique insight into the barriers faced as a result of a 'large scale sudden and acute event'.

Based on this experience, The Salvation Army supports the proposed definition of vulnerability and the goals outlined in the draft strategy. We appreciate the effort that has been made to reduce stigma and acknowledge its social impacts.

Our key concern lies in ensuring the strategy as a whole makes a tangible difference in practice, in particular for people experiencing severe vulnerability. This includes people who have experienced destitution or homelessness, and either cannot meet the costs of reconnection or have lost their identification documentation. Our experience has been that though larger retailers generally do not turn away customers in these situations, smaller providers have been known to perform credit checks and reject applications from potential customers who have had a history of financial hardship. For someone who is already experiencing hardship or vulnerability, or who has had a recent experience of homelessness, this rejection can be deeply traumatising and lead to them deciding to go without energy and water.

Founders **William & Catherine Booth**
General **Brian Peddle**

*Wherever there is hardship or injustice, Salvos will live, love and fight
alongside others to transform Australia one life at a time with the love of Jesus*

salvationarmy.org.au

Cultural change is needed to ensure a holistic, client-centred approach. It is simply unacceptable that a manager of a hardship team in a major provider would openly refer to people facing disconnection as being unwilling to pay their bills. The experience of The Salvation Army's Moneycare financial counsellors has been that there is a disconnect between the hardship and collections teams and that some providers take a punitive approach from the outset, without doing their due diligence to assess whether a customer is experiencing hardship or vulnerability. It is our hope that if passed, the recently introduced Energy Fairness Bill will reduce the incidence such occurrences.

It is our experience that the payment difficulty framework itself is not accessible to the average consumer. Though stigma and shame do contribute to resistance in applying for hardship, some people are simply not aware that hardship provisions exist and that they have a right to them. This is particularly true for people from culturally and linguistically diverse or First Nations backgrounds.

Even when a payment plan is discussed, the inherent power imbalance can lead to people feeling pressure to agree to a payment that is not sustainable for their income level. In our experience, this has happened despite the provider knowing that they are reliant on a social security payment. It is important that providers actively take steps to correct this power imbalance, particularly with customers from a culturally and linguistically diverse or First Nations background.

Gianni's story

Gianni* lives on the Age Pension, with three children aged in their teens and early twenties still at home. English is an additional language for Gianni and he lives with poor physical and mental health.

Gianni first presented to The Salvation Army's Moneycare financial counselling service for help with an outstanding utility bill. With the support of a financial counsellor, he successfully reduced his energy usage and negotiated a payment plan of \$60 per fortnight.

Gianni's utility provider has recently advised that his payment plan has been increased to \$70 per fortnight and that the hardship arrangement would be cancelled if he does not agree to the new terms. This would mean he would need to repay his \$1700 outstanding debt in full or risk disconnection. Gianni's utility provider made this decision despite knowing that he is on a pension payment. Moneycare is currently working with Gianni and the utility provider to negotiate a way forward.

**Name has been changed*

The Salvation Army would welcome the opportunity to meet regularly with the hardship and collections teams embedded in Victorian utility providers, as well as colleagues within the community sector, to raise emerging issues and address systemic barriers to inclusion. We would also welcome hardship and disconnection officers into Moneycare to spend 'a day in the life of a financial counsellor'. This would give all parties a better appreciation of the other's position, as well as the broader context in which we all operate.

Our experience walking alongside people experiencing hardship is that systemic barriers are not restricted to the services that the Commission regulates. This highlights the need for the work under initiative 7.3 to extend to other essential services, including health and justice.

As one of the nation's largest providers of Specialist Homelessness Services, The Salvation Army would welcome the opportunity to be involved in the proposed reviews of the payment difficulty framework and family violence provisions. In particular, we consider that there is scope for utility providers to take a greater role in providing appropriate referrals for customers when they receive to a disclosure of family violence or financial hardship.

Thank you again for the opportunity to share our views. We look forward to continuing to work with the Commission as it implements the strategy. If you would like to discuss any aspect of this letter, please contact me at government.relations@salvationarmy.org.au or on [REDACTED]

Yours sincerely,



Paul Hateley, Major
Head of Government Relations
The Salvation Army Australia

4 June 2021

The Salvation Army acknowledges the Traditional Owners of the lands and waters throughout Australia.

We pay our respect to Elders and acknowledge their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia.

We also acknowledge future aspirations of all First Nations peoples. Through respectful relationships we will work for the mutual flourishing of Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians.

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.