

23 June 2023

## **Response to the Victorian Household Concessions Program Assessment**

Financial Counselling Victoria (FCVic) welcomes the opportunity to make a response to the Victorian Household Concessions Program assessment.

Financial Counselling Victoria (FCVic) is the peak body and professional association for financial counsellors in Victoria. Financial counsellors are professionals providing free, confidential, and independent advice and advocacy for people experiencing, or at risk of, financial hardship.

Financial counsellors in Victoria work closely with concession card holders and have considerable insight into the impacts and effectiveness of the concessions program.

Our response to the assessment draws on the professional observations and experiences of Victorian financial counsellors.

### **Which aspects of the household concessions program work well for concession card holders?**

The concessions themselves are crucial and create a significant impact for low-income and vulnerable households. The savings from the concessions most often go towards essential items, such as food, medication, and school items for children. Although concession card holders are still having to live below the poverty line, the concessions make their situation temporarily less dire.

The Victorian Household Concessions Program stands apart from the other states for the fact that concession amounts are calculated as a percentage, rather than a flat rate. This equates to meaningful benefits for large households or people with high energy needs for health reasons.

Financial counsellors reported that the most utilised concessions among their clients are the utility relief grants, car registration concessions, and medical cooling concessions.

Financial counsellors also commented positively on the convenience of having the utility relief grants credited directly to the utility account.

## What barriers do concession card holders face when trying to access concessions including lack of technological literacy or access to technology?

Lack of access to digital or online services is a widespread and common issue amongst concession card holders. Digital poverty is a real and increasingly significant form of poverty which compounds other forms of poverty. This could be due to not having a device or internet connection, or lacking sufficient credit, or lacking skills and confidence with using digital technology.

For many concession card holders, their only access to the internet is via their mobile phone. This can make it challenging for the user to read forms as there is often a lot of information to go through. Only having access to a mobile phone also makes it difficult for them to complete and submit the forms. These challenges are worsened by issues such as poor internet connection or no connectivity (limited data), and older models of phones with compatibility issues.

Other concession card holders do not have any access to the internet, which severely restricts the accessibility of the concessions. Financial counsellors have reported that some utility companies decline to assist with utility relief grants over the phone.

Financial counsellors identified that the lack of digital literacy is significantly more prevalent among older concession card holders, and members of CALD communities.

The Australian Digital Inclusion Index 2021 found that digital ability declines with age, significantly dropping after the age of 55 and decreasing in the older age brackets and as tasks become more complex.<sup>1</sup> Even those with a basic technological proficiency may struggle when required to forward documentation via email (again using only their mobile phone). Financial counsellors commented that retrieving Centrelink information from a digital wallet is difficult or impossible for some users.

Applications and processes do not appear to have been designed with the applicant in mind, and financial counsellors noted the overall dearth of translated material into languages other than English.

For people escaping family violence, financial counsellors have reported that there are considerable barriers which prevent victim-survivors from accessing suitable concessions. There are significant expenses incurred when a victim-survivor establishes a new home, which are not accounted for within the allocations under the concessions program. Additionally, it has been reported that not all utility companies understand the issues associated with family violence, sometimes asking invasive questions or requesting evidence of the person's experience of family violence which can be retraumatising for them.

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<sup>1</sup> Thomas, J., Barraket, J., Parkinson, S., Wilson, C., Holcombe-James, I., Kennedy, J., Mannell, K., Brydon, A. (2021). Australian Digital Inclusion Index: 2021. Melbourne: RMIT, Swinburne University of Technology, and Telstra.

Financial counsellors also reported on a general lack of awareness and understanding of the concessions program among eligible community members – not knowing that they need to register for concessions, what to do if the concessions drops off their account, and how to have the concessions backdated if possible.

It can be difficult for customers in financial hardship to access information about their entitlements because many retailers prioritise putting the customer on a payment plan before, or instead of, initiating a discussion about concessions and grants, despite the Payment Difficulty Framework requirements.

According to VCOSS, roughly 14% of Victorians who are eligible for a power bill concession—that’s as many as 130,000 people—don’t currently receive it.<sup>2</sup> This may also be due to accessibility issues for people who don’t speak English or don’t have the devices, data or digital skills required to apply online.

The fact that utility providers are often not forthcoming with information about concessions means that the onus is on the concession card holder to know what to ask for. As a result, many concession card holders miss out on their entitlements and pay more than they should have to.

It was also noted that utility companies will not accept concession details from a financial counsellor despite the customer providing a signed Authority to Act form authorising the financial counsellor to act on their behalf. The people who present to financial counselling services for assistance are extremely vulnerable and cannot always represent themselves, which is why they have authorised the financial counsellor to act on their behalf. This should not be a barrier to access.

### **What steps could be taken to make the concessions program more accessible and inclusive?**

Recognising the vulnerable and precarious situations which concession card holders can often be in, the concessions program should ensure that the program design and application processes follow a person-centred approach.

Access should be made easier for people with limited or no access to the internet, or without digital literacy skills, by providing more options to access assistance in applying for concessions. This includes providing information in languages other than English, and resourcing bi-cultural workers to support the program.

Financial counsellors also suggested taking a more proactive approach to assisting customers to understand their options and eligibility to access concessions – write to concession card holders to make them aware of the potential benefits.

The Department’s assessment should explore ways to automate benefits for eligible recipients. One financial counsellor suggested a simple portal to allow concession card

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<sup>2</sup> Refer to the VCOSS report *The Missing 14%*: <https://vcoss.org.au/essential-services/2023/05/the-missing-14/>

holders to register and link their utility and other accounts to make it easier to apply and keep track of their concessions.

Concession providers should be actively asking customers if they have concession cards when there is hardship or late payments on bills.

### **What changes could be made to eligibility criteria and concession types to better meet the needs of low-income and vulnerable households?**

Based on the insights of financial counsellors, we recommend that the concession amount for utility relief grants be increased annually in line with the Consumer Price Index (CPI), or in line with the increases in price caps for regulated retail offers – as well as increasing the frequency to access the grants in order to extend the benefits of the grants for vulnerable households.

Property rates concessions need to keep pace with the increase in cost of municipal rates for the concession to have value. This is particularly important for older residents who are unable or resistant to move from the home that they own and have lived in for many years.

We further recommend that the threshold eligibility for Low Income Household Concession Cards be increased. With the current rises in living costs and interest rates, financial counsellors are reporting that household costs are becoming increasingly unaffordable for households which would ordinarily be considered ‘middle-income earners’, yet they are not eligible for concessions because they do not hold a concession card.

Household concession cards should be made available regardless of visa-status. There are many vulnerable households on bridging visas who are excluded from accessing concessions.

Financial counsellors also reported that people with WorkCover or income insurance claims would also benefit from the concessions program.

### **Are there any groups of people who you feel are excluded or disadvantaged by the current concessions program?**

The resounding response from financial counsellors was that CALD community members and older people suffer the most disadvantage from the current concessions program.

Program design needs to be more inclusive of concession card holders with limited or no access to technology, or low digital literacy. Translated information and access to interpreter and cultural support should be more widely available throughout the concessions program.

Financial counsellors reported that the current program also disadvantages victim-survivors of family violence. Concessions should be reset when a victim-survivor establishes a new home, as the concessions used when they were living with a perpetrator may not have provided any benefit to the victim-survivor. Victim-survivors are forced to incur significant household expenses with little or no support in order to secure safe accommodation – they need the additional support of the concessions to stabilise themselves.

The concessions program should aim to support all vulnerable households, and that includes people on bridging visas who are unable to access Centrelink and are therefore ineligible for a concession card. Financial counselling is accessible to people regardless of their visa status, with access to interpreter services where necessary. Therefore, financial counsellors are accustomed to working with people from migrant and refugee communities. Their experience is that people from these communities are particularly vulnerable to poverty due to the lack of financial support available to them, and other factors such as discrimination, language and cultural barriers, and trauma, which can make it difficult to secure employment. They are left to rely on material aid and emergency relief from charities and other support services. With few other forms of support available for people on bridging visas, and many households experiencing vulnerability – they should not be excluded from accessing concessions for essential services.

In assessing the concessions program, we recommend more consideration be given to middle-income households and single-occupant households, as many are now experiencing financial hardship for the first time due to rising costs of rent/mortgage, food and utilities, or as a result of the ongoing impacts of COVID-19. Many are without any safety net. Access to the concessions program can act as a preventative measure to alleviate financial pressure and keep households from falling into poverty (which can have enduring and intergenerational impacts).

### **Are there any technological solutions that you believe would improve the delivery of concessions?**

The solutions to improving the delivery of concessions are not solely technological. The needs and the capacity of concession card holders should be prioritised in the design of the program. Improvements to the program should include co-design and user-testing with concession card holders to ensure it sufficiently meets their needs.

Applications for concessions need to be optimised for mobile phone use and should be as simple to complete as possible. Applications should not be invasive or arduous. The option to apply easily over the phone or via a paper form should be maintained to enable access for people who are digitally excluded.

Greater automation should be utilised for applying concessions. This could be achieved through a mobile-friendly portal that allows concession card holders to link services to automatically apply for eligible concessions and view their current concessions. The portal should be available in a range of languages, and with a simple way to access further support.

Concessions card holders should receive SMS notifications when a concession needs to be reviewed or has dropped off an account.