

Financial Wellbeing and Capability Review  
Department of Social Services

31 March 2017

Dear Sir/Madam

Thank you for the opportunity to provide a submission in response to the Discussion Paper on Financial Wellbeing and Capability Activity in Australia. Momentum Energy is a 100% Australian-owned and operated, energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest generator of renewable energy - generating hydro and wind power.

While Momentum's direct involvement in the FWC sector is limited, we are required as a term of our National Retail Authorisation and Victorian Retail Licence to develop and maintain hardship policies to assist financially vulnerable customers. We are also acutely aware that energy supply is one of the many factors leading to cost of living pressure and financial hardship. Because of this, we value the work undertaken in the FWC sector and have an interest in ensuring that this review delivers positive outcomes for organisations within sector and by extension, the individuals and communities who rely on them.

Momentum acknowledge the need to target support and resources where they can be most effectively utilised however we have concerns that the eligibility criteria proposed for Emergency Relief and Financial Capability will exclude an increasing demographic of 'working poor'.

Staff in our Keeping Momentum team, which provides personalised assistance to financially vulnerable customers, have reported an increase in the number of customers who are experiencing financial hardship for the first time. Many of these customers have faced a change in their employment circumstances and are finding themselves in need of assistance to manage a range of debts accrued when their financial circumstances were vastly different. These customers are often not be eligible for government assistance and consequently would be denied services under the targeting proposal. While we acknowledge that assisting those in entrenched poverty is a vital service, many individuals of the type we are now seeing struggle to meet their financial obligations could be prevented from falling further in financial difficulty if they are able to access emergency relief and expert financial counselling from the outset.

Momentum also has concerns around the further rollout of a FWC hub model. While we understand that integration of this nature can in many instances ensure that holistic approaches to service delivery provide better outcomes to consumers and are broadly supportive, we caution that this approach must not undermine the relationships built by autonomous organisations which currently service the community. The Department has recognised the challenges which face the establishment of a hub model in rural and remote communities however we feel that instances may arise in a more urban setting where autonomous organisations provide specialist services. We envisage this scenario in locations with a concentration of a particular ethnic group who may not feel equipped to engage with a service provide from outside their community.

Momentum considers that the focus in the discussion paper on equipping individuals to enter or return to the workforce has merit however the emphasis placed on this should be balanced with a view of the prevailing economic conditions where employment opportunities may simply not exist. In some instances pragmatism must triumph, and resources expended on assisting an individual to be job ready where employment opportunities are severely limited may in fact be better allocated to direct emergency relief. We recognise however that this issue will vary from community to community and an assessment made on an individual basis.

While broadly supportive of the reforms outlined in the discussion paper, the scenarios outlined above must be considered to ensure that on balance, disadvantaged Australians are better off. The theory outlined in the discussion paper is sound however we be that challenges may arise in its implementation and broad application to a wide range of circumstances. We ask that the Department work closely with front line agencies to ensure that any reforms do not lead to the unintended consequence of disadvantaged Australians slipping through the support safety net.

Momentum values the services provided by the FWC sector and while we recognise that appropriate steps must be taken to ensure that funding is used as effectively as possible, we consider that broader social policy reforms are required to ease cost of living pressures and to assist individuals and families in entrenched poverty. To this end, we recommend increased funding for financial counsellors and emergency relief agencies and a review of social welfare to ensure that those relying wholly on government assistance can enjoy a reasonable standard of living.

If you have any other queries regarding this submission, please contact Joe Kremzer, Regulatory Manager on 8651 3565 or email [joe.kremzer@momentum.com.au](mailto:joe.kremzer@momentum.com.au)

Yours sincerely

Joe Kremzer  
**Regulatory Manager**