



Australian Government
Department of Social Services

Submission into the Financial Services Regulatory Framework in Relation to Financial Abuse

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Introduction

The Department of Social Services (the department), together with Services Australia, welcomes the opportunity to provide a submission to the Parliamentary Joint Committee on Corporations and Financial Services' Inquiry into Financial Services Regulatory Framework in Relation to Financial Abuse.

This submission examines the impact of financial abuse, often perpetrated on vulnerable Australians, and discusses the services and supports provided by the Australian Government through the Social Services portfolio.

The prevalence and impact of financial abuse

A 2017 study on economic abuse between co-habiting partners found 16% of women and 7% of men had experienced financial abuse in their lifetimes.¹

The study also established that age, disability, financial stress, and health status were significant risk factors, especially for women. For example:

- 63% of women who experienced high financial stress and 24% of women with disability or long-term health conditions had experienced financial abuse.
- Middle aged and older women also more commonly experienced financial abuse.

A 2021² study found Aboriginal and Torres Strait Islander women experience financial abuse in distinct ways. Evidence suggests they may experience financial abuse not only in intimate partner relationships, but in wider family relationships as well. Cultural norms about sharing wealth, caregiving and broader support systems based on reciprocity increase the risk of financial abuse.

Financial abuse is a common form of domestic and family violence. It is perpetrated by intimate partners or family members, and also occurs in the context of elder and carer abuse. It manifests in different ways but generally it is a type of controlling behaviour where the perpetrator controls finances and assets to gain power and control in a relationship. Tactics can include controlling access to or taking/spending someone's money without permission, pressuring someone to loan money and refusing to pay back loans, forcing someone to transfer their assets into someone else's name, and preventing someone from gaining employment, thereby limiting their financial autonomy. Financial abuse is a powerful form of abuse, and it is often the reason why women find it difficult to leave an abusive relationship.

It can also occur after a woman has left an abusive relationship, through forms of technology-facilitated abuse, such as sending threatening and abusive messages via banking transactions or withholding online access to money. The intentional misuse and abuse of child support to jeopardise the financial safety of recipient parents and their children has been recently reported on with several groups including the

¹ [Economic abuse between intimate partners in Australia: prevalence, health status, disability and financial stress](#)

² J Breckenridge, [Understanding economic and financial abuse in First Nations communities](#)

National Council of Single Mothers and their Children publishing reports. Their findings included:³

- 80% of women reported that their ex-partner had replaced physical abuse with financial abuse via child support as a way to control them since they separated
- 88% of women respondents had experienced someone controlling their money or finances, occurring over years or decades.

Tactics of financial abuse included:

- deliberate withholding of non-payment of child support
- deliberate minimisation of child support liabilities
- threatened with their children not being returned
- excessive court actions, or threats of legal action
- reported or threatened to be reported to government agencies as a way to cause financial harm.

For many women with disability and older women, economic abuse can be further complicated because there are insufficient legal safeguards in substitute decision-making, an arrangement that allows a guardian or caregiver to make financial or other decisions on another person's behalf. Financial abuse is an intersectional, gendered issue.

In recognition of the fact that people with disability across Australia experience violence at higher rates and in more specific ways than other groups of people, the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (DRC) was announced in 2019.

The DRC investigated:

- preventing and better protecting people with disability from experiencing violence, abuse, neglect and exploitation
- achieving best practice in reporting, investigating and responding to violence, abuse, neglect and exploitation of people with disability
- promoting a more inclusive society that supports people with disability to be independent and live free from violence, abuse, neglect and exploitation.

In its Final Report,⁴ the DRC highlighted the potential for institutional practices to expose people with disability in segregated, separate or non-mainstream settings to financial exploitation.

The DRC found that scams reported to the Australian Competition and Consumer Commission by people with and without disability were largely similar but scams against people with disability were more likely to have a serious financial impact. People with disability lost more money on average than people without disability. People with disability were also more than twice as likely to experience financial loss from dating and romance scams than people without disability.

³ [Financial Abuse: The Weaponisation of Child Support in Australia](#)

⁴ [Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability Final Report](#)

The role of government agencies in preventing and responding to financial abuse

Supporting the prevention, response, and recovery from violence against women and children

Economic abuse, including financial abuse, is one of the key areas of focus for addressing gender-based violence in Australia under the *National Plan to End Violence against Women and Children 2022-2032* (the National Plan).

The National Plan is a joint Australian, state and territory government approach that sets the national policy agenda for addressing violence against women and children in Australia for the next 10 years.

The [First Action Plan 2023-2027](#) identifies ten actions required to end gender-based violence in one generation. Action four covers building the capacity of services and systems that support victim-survivors to provide trauma-informed, connected and coordinated responses that support long-term recovery, health and wellbeing.

The department works with other government agencies and states and territories to ensure services are able to contribute to victim-survivors' long-term recovery and healing by addressing a range of complex needs, including access to stable and secure housing. This could include care coordination, psychological and mental health support and assistance with substance use. Building the family, domestic and sexual violence sectors, both in size and capability, will help to ensure that victim-survivors can access the support they need no matter where they live, or where they are on their path to recovery.

Service systems and abuse

The existing system has largely prioritised crisis, legal responses and mainstream responses to violence. However, systems, legislation and services can unintentionally promote women's dependency on men and perpetuate discrimination. For example, perpetrators can abuse legal systems to exert power and control over victim-survivors. Systems abuse affects victim-survivors' health and well-being as well as having social and economic impacts. It undermines confidence in the legal system, denies victim-survivors support and may inadvertently help the primary perpetrator further control the victim-survivor.

These factors may prevent the victim-survivor from reporting abuse, while poor or inadequate legal penalties for the perpetrator and reduced accountability can present additional barriers to reporting. The services on offer may lack a specialised approach, and may not be culturally safe or appropriate, which can further undermine victim-survivors' confidence in the system. The inappropriate use of legal penalties against victim-survivors who have used violence in response to violence perpetrated against them has been of concern for decades. This often stems from a systems failure, which responds to violence as single incidents. For example, a person using violence in a single incident may be considered the perpetrator, but when viewed more broadly, it is clear that they are the victim of a pattern of coercive control and are using retaliatory or pre-emptive violence. Failure to correctly identify the perpetrator disproportionately affects Aboriginal and Torres Strait Islander

women, who are also more likely to encounter structural racism in their interactions with the criminal legal system.

Changes have been made to Australia's social security system to address family and domestic violence, increasing the capacity of victim-survivors to escape abuse and its ongoing effects.

Providing a sustainable social security system that supports people who cannot fully support themselves by providing targeted payments and assistance

Australia's social security system supports victims and survivors to not only leave a violent relationship, but also to establish a life free from violence. Examples of support include the Crisis Payment, which is available to victims of family and domestic violence up to four times a year.

Further, there a number of policy settings in place to ensure the social security system is designed to support victim-survivors, including exemptions from mutual obligation requirements and assets tests.

Building on work with Economic Justice Australia, amendments have been made to the [Social Security Guide](#) to ensure Services Australia staff are well equipped to offer this greater flexibility and support, and to ensure that family and domestic violence is considered in assessing payment eligibility, including when a person is considered as a 'member of a couple'.

Services Australia (the agency) is committed to streamlining the delivery of payments for people experiencing violence, ensuring services are safe, accessible and timely. Under the 2021-22 Women's Safety Budget measure, Services Australia received funding to support the continuation and expansion of a pilot that provided specialist case management to Child Support customers affected by family, domestic and sexual violence. In the same year, the pilot was expanded, and resourcing extended to include dedicated social workers and enable servicing to customers across all Australian time zones. The pilot connected customers to appropriate support, providing information and options, allowing them to make informed decisions based on their individual circumstances. From 1 July 2024, when pilot funding ends, pilot learnings will be absorbed into a 'business as usual' service offer to uplift frontline staff capability to effectively support customers.

The agency also offers a range of money management services to assist people to manage their income or to overcome short-term budgeting challenges and unexpected expenses, including:

- Rent Deduction Scheme provides income support recipients the option to have public housing payments deducted prior to receiving their payments and sent directly to the relevant state or territory housing authority
- Advance Payments help customers by providing part of their Centrelink payment or Family Tax Benefit (Part A) in advance
- Urgent Payments delivers part of a customer's Centrelink payment where the customer is experiencing severe financial hardship due to exceptional and unforeseen circumstances

- Emergency Payments provide immediate short-term financial assistance to eligible individuals directly affected by a major disaster and those who can show they have experienced a loss of income as a direct result of a major disaster.
- Flexible Debt Repayments support customers affected by a crisis, disaster, emergency event or financial hardship by providing flexible debt repayment choices
- Weekly Payments help financially vulnerable customers better budget for expenses, by providing their eligible payments weekly instead of fortnightly.

The Australian Government will continue to ensure the needs of women and children experiencing family and domestic violence are taken into account in the delivery of government services.

Supporting Australians to build financial wellbeing and navigate financial crisis

Through the Financial Wellbeing and Capability (FWC) Activity, the Australian Government provides support to eligible individuals and families to navigate financial crisis and build financial wellbeing, financial capability, and resilience. Individuals experiencing financial abuse may access supports under the FWC Activity.

The services available within the FWC Activity are targeted to support vulnerable people and those most at risk of financial exclusion and disadvantage. Services provided under the FWC Activity include crisis support, broad financial capability building services, financial counselling, and access to microfinance products. Services are free, voluntary and confidential and are delivered by over 250 community and local government organisations nationally.

Current base funding is over \$120 million annually via grants to organisations to provide these services supporting around 500,000 people each year. Current grants are in place from 1 January 2019 to 30 June 2025. In 2022-23, over 580,000 people accessed FWC services, and of these:

- around 60 per cent were women
- 19 per cent identified as First Nations
- 17 per cent had a disability
- 8 per cent were from culturally and linguistically diverse backgrounds.

Additional funding for the FWC Activity has been [announced](#) to increase services and respond to demand including:

- an immediate \$114.8 million from 2023-24 over five years and ongoing to respond to sustained high demand for services, including from cost of living pressures, unexpected bills and natural disasters
- an additional \$23 million from 2025-26 to provide more pre-crisis and early intervention supports.

Below are relevant supports within the FWC Activity for people experiencing or impacted by financial abuse.

Emergency relief

The Government contributes over \$51 million per year in base funding to 192 community organisations across Australia to deliver Emergency Relief (ER) support to people in immediate financial crisis, which may include individuals experiencing financial abuse. Each year around 460,000 people are provided with ER support funded by the Government. Access to ER is free, and there are no citizenship or residency requirements to receive this support. ER providers can assist eligible clients to meet short-term, immediate needs such as access to temporary crisis accommodation and food supplies, or to replace essential household goods (such as bedding or fridges).

Financial counselling

Additionally, the Government contributes almost \$50 million per year in base funding for Commonwealth Financial Counselling and Financial Capability services. People may seek support from financial counsellors for a range of issues that may stem from financial abuse including bankruptcy, difficulties in paying bills, negative credit reporting, or to seek advice on money management strategies. Financial counsellors may also refer clients to other sources of support, such as front-line family and services, mental health supports, housing and addiction support services, as necessary. Approximately 80,000 clients are assisted each year through the financial counselling services within the FWC Activity. Financial counsellors are qualified professionals who must participate in professional development training including how to support individuals impacted by financial abuse.

As part of the suite of supports, the National Debt Helpline (NDH) is available as a single contact point for people to access free financial counselling, either immediately on the phone (1800 007 007) or through online chat, or by referral to a local financial counselling provider. Services are free, non-judgement and confidential. Over 130,000 calls were made to the NDH in 2023.

In addition to these existing services funded under the FWC Activity, the Government has [announced](#) it is partnering with various industries and the financial counselling sector on an Industry Funding Model (the model) to deliver more frontline services for Australians experiencing financial stress and difficulty, from 2024-25. The Government has secured three-year funding commitments from industry, totalling more than \$35 million over three years, and continues to engage with industry to secure further funding. This funding is expected to result in an additional 30,000 individuals being able to access financial counselling supports.

No Interest Loans Scheme

This financial year (2023-24), the Government has contributed over \$16 million in funding for the administration of the national No Interest Loan Scheme (NILS). NILS provides access to fair and safe loans ranging between \$1,500 and \$5,000, with no interest, fees or charges.

The program is delivered in a tripartite relationship with Good Shepherd Australia New Zealand (GSANZ) administering the loans, National Australia Bank (NAB) providing the loan capital and funding from the department providing administrative

funding and policy oversight. In 2023-24, over 31,000 loans have been provided as at April 2024. Over 32,000 loans were provided in 2022-23.

No Interest Loans are available for individuals on low incomes (up to \$70,000 (gross) for singles and \$100,000 (gross) for couples and those with dependents). Women who have experienced violence in the last 10 years are also eligible. No income limits apply for individuals impacted by violence. All applicants must also be able to service the loan.

Loans are available for a range of purposes including rental bonds, rent, whitegoods, furniture, car repairs, technology, medical, dental and education costs. NILS is offered by 170 local community organisations in over 600 locations across Australia.

Whether or not a client receives a loan, GSANZ also provides referrals to support services, rental and housing support organisations, financial counselling services, food relief services, utilities hardship support and mental health services.

Additionally, NILS for Vehicles loans help eligible individuals and families purchase an eligible vehicle (car, motorcycle, scooter or boat) up to the value of \$5,000 for transport for employment and essential purposes with a repayment period of up to 4 years. Around 12 per cent of all NILS for Vehicles loans approved have been for women experiencing domestic, family and sexual violence.

In addition to the ongoing funding for NILS for Vehicles announced at Budget 2024-25, an additional \$1.8 million is being provided for NILS in the Northern Territory (NT) to help respond to demand. This is part of the \$6 million [announced](#) for strengthened financial wellbeing supports across the NT. This funding has been provided in 2023-24 for use over 2024-25.

Service delivery

Services Australia (the agency) is in a unique position to provide timely, accurate and meaningful support to people affected by violence, including identifying signs of violence and connecting customers to the support they need. The agency has a Family and Domestic Violence Strategy (the Strategy), with training mandatory for all staff.

Under the Strategy, the agency supports customers and staff affected by domestic, family and sexual violence. Support includes awareness raising, training, process and procedural controls, a dedicated staff contact line and building connections inside and outside the Agency for ongoing support. To help protect customer privacy, the agency offers practical support to customers leaving a relationship, including:

- de-linking a customer's Centrelink record from their partner's when they inform the agency they have separated, without the need for paperwork
- reviewing nominee arrangements
- transferring customers safely onto their own Medicare card
- setting up Child Support arrangements, if applicable
- connecting customers with agency social workers for short-term support and intervention

- providing information, factsheets and a checklist on the agency's website for customers on how to keep their information safe when leaving a relationship or living with violence or abuse which has been translated into 30 languages to increase accessibility for culturally and linguistically diverse customers.

The Agency monitors and reviews the effectiveness of its systems and processes in responding to the complexities of domestic, family and sexual violence. It continues to enhance services to prioritise customer safety across all customer interactions with the Agency.

The Agency recognises that financial capability is essential for improving people's lives. As a touchpoint for many Australians, the agency is able to provide access to relevant and impartial information, tools and services. These aim to help people build their money management practices and make more informed financial decisions. The agency offers a range of specialist staff services to help people understand their financial options and make informed financial decisions.

These include:

Touchpoint	Details
Financial Information Service (FIS)	FIS Officers provide free financial information and education via a dedicated phone service, video chat appointments, face-to-face appointments, community outreach and free online webinars.
Aged Care Specialist Officer (ACSO)	ACSOs provide face-to-face and video chat appointments and community outreach that helps senior Australians and their representatives to understand, access and navigate aged care services including their financial options.
Community Outreach Specialist Programs (COSP)	COSP is a collaboration between the Community Engagement Officer, Indigenous Service Officer and Multicultural Service Officer programs. These officers use specialist knowledge and networks to connect customers and communities to information, payments and services to improve customer financial capability.
Social work services	Social workers provide professional social work interventions such as assessment, early intervention, crisis support, short-term counselling, case work and referrals for customers with multiple and complex needs,

including those experiencing financial vulnerability.

Farm Household Case Officers (FHCO)

FHCOs play a crucial role in helping farmers access Farm Household Allowance. FHCOs also provide tailored support to farmers and their families and work closely to guide and assist them to improve their capacity for financial self-reliance. FHCOs connect customers and communities to the agency's services, programs and payments, and raise the profile of the agency in their local area.

Responding to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

A number of recommendations were made that seek to address and minimise financial exploitation of people with disability. These include developing financial skills for people under a representation order appointing the public trustee as a representative (recommendation 6.16), and the development of an information campaign that includes assistance with financial literacy materials (recommendation 7.28).

The government is carefully considering the Disability Royal Commission's 222 recommendations, and will continue to consult with people with disability, their families, carers, representative organisations, service providers and the broader community to inform a response that will drive meaningful and lasting change.

Steps that might be taken to support financial institutions to better detect and respond to financial abuse

In relation to domestic and family violence, economic and financial abuse often occur alongside other forms of abuse. The impacts of economic abuse can result in victim-survivors leaving their homes with no resources to rebuild their lives. Services need to have or develop the expertise to assist victim-survivors in establishing financial security as part of their recovery.

Effective intervention approaches need to be embedded in a variety of settings and sectors. Early intervention strategies should aim to address all forms of domestic and family violence including financial abuse.

In developing the *Understanding Economic and Financial Abuse in Intimate Partner Relationships*,⁵ the New South Wales Gendered Violence Research Network conducted a comprehensive review of academic literature to identify and analyse existing research on economic and financial abuse. This found that researchers and practitioners have called for greater attention to be paid to those groups more at risk,

⁵ [Understanding Economic and Financial Abuse in Intimate Partner Relationships](#)

such as elders, Aboriginal and Torres Strait Islander women and women with disability and long-term health conditions. There is also the need to:

- address financial stress as a major priority for women leaving an abusive relationship – develop a nationally consistent definition of financial abuse
- train more financial specialists about financial abuse and its effects
- adopt a holistic approach to addressing financial abuse, including working with banks, credit, utility and housing providers and welfare services
- build evidence on the types of financial abuse experienced by different women and children, including the intersections with forms of technology-facilitated abuse.

Workplaces and educational settings, including universities, should integrate intervention initiatives to reduce, prevent and respond appropriately to sexual harassment and violence.⁶

All implementation of activities to detect and respond to financial abuse should consider the needs of people with disability including First Nations people with disability, young people with disability, and culturally and linguistically diverse people with disability to ensure that the design and application of laws are accessible and responsive to their needs.

[Australia's Disability Strategy 2021-2031](#) acknowledges that being able to access information, having of communication in accessible formats (e.g. Braille, Auslan, Easy Read formats) is vitally important in all aspects of life. This includes increasing opportunities for people with disability and reduction of experience of harm such as financial abuse. Accessible and inclusive design allows people choice and control to participate equally.

Future opportunities for addressing emerging need

The *National Plan to End Violence against Women and Children 2022-2032* acknowledges there will be emerging areas of need and emerging forms of violence that will be addressed over the life of the National Plan. New initiatives and activities to respond to emerging areas will be captured in the annual updates to the [First Action Plan Activities Addendum](#).

⁶ K Minter et al, ['Chuck her on a lie detector'](#).