

9<sup>th</sup> February 2018



Early Release Review  
Retirement Income Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [superannuation@treasury.gov.au](mailto:superannuation@treasury.gov.au)

Dear Sir/Madam,

#### **Early Release of Superannuation Benefits Review – Family Violence**

The Economic Abuse Reference Group (EARG) is an informal group of community organisations<sup>i</sup> which provides input to government and industry responses to the financial impact of family violence. Our work is focused primarily in Victoria, but organisations from outside Victoria join in our work on some national issues (see [earg.org.au](http://earg.org.au)).

We wish to respond to the Consultation Paper, but limit our comments to the inclusion of “domestic violence” as a new compassionate ground for early release.

Our members agree that:

- there is a need for more financial support for victims/survivors of family violence
- government assistance is currently inadequate (particularly in some states)
- some victim/survivors are unable to access their share of assets due to the high costs involved, and
- it is important that women have adequate superannuation for retirement.

We believe that Governments have a duty of care to provide adequate resources to support victim/survivors of family violence, including the provision of adequate resources to enable them to leave the violent situation and re-establish themselves. Unfortunately, the lack of adequate resourcing is a key reason that victim/survivors may seek to draw on their superannuation.

The position of most of our members, after balancing these concerns, is that access to superannuation should be available for victims/survivors of family violence as a last resort.

However, one of our significant members doesn't believe that superannuation should be released in these circumstances. Domestic Violence Victoria are submitting their own detailed response to the

issues paper. Their view is based on the principle that the government has a responsibility to provide adequate and appropriate support to victims of domestic and family violence, and the ability for individuals to recover from the experience of violence should not be dependent on their own retirement savings. The benefits that could be achieved through early access to superannuation could equally be provided through specialist services that are appropriately funded and access to flexible financial supports.

The EARG recognises that family violence stems from gender inequality. One example of this inequality is the lower levels of superannuation held by women – which can be further exacerbated by family violence. We support initiatives to increase financial security for women in retirement.

The experience of our member organisations is that family violence can have a devastating financial impact on women who, in some cases, take many years to recover (if they ever do).

For many, the costs of re-establishing themselves can be well beyond their means. While this can be challenging after any relationship breakup, the financial impact of family violence tends to be higher due to factors such as:

- having to leave home quickly without any belongings
- in some cases, having to move interstate – or even overseas – for security reasons or to access family support
- needing to ensure personal security (for example with home modifications),
- intentional damage caused to property by the perpetrator
- sabotaging of their employment by the perpetrator resulting in loss of income
- economic abuse which can result in the victim/survivor retaining no assets and having significant debt
- Drawn out legal proceedings that can delay or prevent the survivor’s access to Centrelink.

When women leave violent relationships they often face difficulties in pursuing property settlement. In some cases, it is not safe for the victim/survivor to pursue the perpetrator for a fair share of joint assets, and where assets aren’t significant (say less than \$50,000) it is rarely worth victim/survivors taking legal action because of the legal costs involved.

The EARG recognises that there are sources of assistance for victims/survivors of family violence, although these may not be available, or adequate, for many. For example, in Victoria the Government provides “Flexible Support Packages” to some family violence victims/survivors for expenses depending on specific needs. Many businesses in the finance and utilities sectors have developed responses to family violence which can result in the victim’s liability being reduced under financial hardship programs. Some borrowers may have legal grounds to avoid liability for a debt (for example by having the Financial Ombudsman Service consider whether the victim/survivor obtained any benefit from a joint debt). Some banks also provide direct financial assistance to customers experiencing family violence.

However, most of our members believe that for some victim/survivors the “last resort” option of drawing on their superannuation may be the only way to re-establish themselves (and their children).

#### Which expenses should be included?

The types of expenses that should be considered for family violence victim/survivors include:

- Costs of establishing, or securing, housing (bond, rent in advance, furniture, other relocation costs)
- Necessary transport (for example a car)

- Costs of installing security systems, security doors etc.

The [Victorian Family Violence Flexible Support Package Requirements](#) provides further guidance on the types of expenses that could be covered.

#### What evidence should be required?

One option which we believe may be appropriate is [that adopted by the new Family Violence Scheme for Fines and Penalties in Victoria](#).

In summary, the evidence required is:

- A statutory declaration about the family violence; and either one of:
  - A family violence intervention order (FVIO)
  - A family violence safety notice (FVSN)
  - A report by one of a specified type of support worker which provides specified information.

#### Administration of applications.

In order to identify whether releasing superannuation is a “last resort” in a situation, staff within the ATO must be trained to understand options which may be available and have the ability to make referrals to appropriate family violence or financial counselling services.

Community-based financial counselling services can offer advice and, if needed, can advocate on behalf of someone who wishes to dispute a debt or access hardship programs. It is important to examine options relating to debt because:

- It would be unfortunate for superannuation to be accessed to pay a debt which the victim/survivor could have been released from; and
- It is important to avoid the possibility that some financial institutions might encourage a customer to seek release of superannuation where there are other priorities, or options available.

Please don't hesitate to contact me if you have any queries or require further information.

Yours faithfully,



Carolyn Bond AO  
for the Economic Abuse Reference Group

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<sup>i</sup> Women's Legal Service Victoria, Consumer Action Law Centre, Financial & Consumer Rights Council, Good Shepherd Australia New Zealand, Uniting Kildonan, Justice Connect Homeless Law, Domestic Violence Victoria, WIRE, WEstjustice, CARE Inc Financial Counselling Service (ACT).