MEDIA RELEASE

CWES welcomes key financial abuse reforms

The Centre for Women's Economic Safety (CWES) has welcomed the Australian Government's response to the report of the parliamentary inquiry into financial abuse, including commitments to address tax debt relief for victim-survivors, and coerced directorships.

The report by the Parliamentary Joint Committee on Corporations and Financial Services inquiry into the Financial Services Regulatory Framework in Relation to Financial Abuse, identified significant gaps across financial, taxation and regulatory systems that can be exploited by perpetrators of domestic and family violence.

CWES CEO Rebecca Glenn said the proposed reforms address some of the most damaging and enduring forms of economic abuse experienced by victim-survivors.

"Financial abuse frequently extends long beyond the end of a relationship. Women can be left carrying debts, liabilities and financial consequences they did not create and could not control."

"We are particularly encouraged by the Government's commitment to consult on an Australian equivalent of the 'Innocent Spouse' provision that operates in the United States. We regularly see victim-survivors left with significant tax liabilities resulting from the actions of an abusive partner, with limited avenues for relief."

"No victim-survivor should be forced to spend years recovering from debts that arose because of coercion, deception or abuse."

CWES also welcomes the Government's commitment to draft legislation to address coerced company directorships and prevent perpetrators of domestic and family violence from receiving superannuation death benefits from a victim-survivor.

More work remains to be done

While welcoming the Government's response, CWES said several recommendations will be critical to ensuring reforms achieve meaningful outcomes for victim-survivors.

CWES is particularly seeking investment in and implementation of Recommendation 1, which called for a formal mechanism to ensure victim-survivors of financial abuse play a role in the implementation of legislative, regulatory and sector-led reforms.

"We know that the devil is in the detail. Victim-survivors understand where systems fail and where reforms may create unintended consequences. Their lived experience must

be central to implementation if these reforms are to achieve their intended outcomes," said Ms Glenn.

CWES also called for implementation of Recommendation 48, which focuses on evaluating reforms and monitoring outcomes and Recommendations 44 and 60 relating to training for staff in financial institutions and relevant government agencies.

"Reform should not end with legislative change."

"We need robust monitoring and evaluation to determine whether reforms are genuinely reducing harm, improving financial recovery and reducing administrative burden on victim-survivors."

"We also know financial abuse is often missed because professionals have not received specialised training to recognise the warning signs or respond appropriately."

CWES noted that the inquiry was the most comprehensive examination of financial abuse undertaken by the Australian Parliament, with recommendations spanning taxation, lending, superannuation, credit reporting, insurance, privacy and government systems.

"Financial abuse is not simply a personal issue. It is often enabled by gaps in laws, systems and institutions."

"We commend the Government for progressing important reforms that will help victim-survivors rebuild their financial lives and prevent perpetrators from exploiting financial systems."

"We now have a critical opportunity to move from recognising the problem to implementing solutions. The next phase must ensure reforms are informed by lived experience, supported by specialist capability and measured by the outcomes they deliver for victim-survivors."

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About Centre for Women's Economic Safety (CWES)
The Centre for Women's Economic Safety is a national charity that supports women experiencing economic abuse and works to improve women's economic safety.