

EACH submission to the Victorian Government’s consultation: *Family Violence Reform Rolling Action Plan 2024 – 2026*

Overview

The Victorian Government has achieved major progress and led meaningful change in the prevention of and response to family violence through its implementation of the 227 recommendations of the Royal Commission into Family Violence.

We commend and support this continuing and genuine commitment to ending family violence through the Strong Foundations strategy and the associated Rolling Action Plan that this submission seeks to inform.

We expect that this important work will influence the actions of the Commonwealth, and other State and Territory Governments.

But family violence remains a national crisis that desperately requires both the funding and urgency that is given to more visible, non-gendered crises like floods and fires.

Our submission to the Strong Foundations consultation addresses an under-recognised and insidious type of family violence seen increasingly by our financial and family violence counsellors: financial abuse.

The prevalence and impact of financial abuse is under-recognised because it is less visible than physical abuse. Finances are often considered to be a private or sensitive matter that aren’t discussed outside of a relationship, and these social norms help conceal and enable financial abuse.

Financial abuse is a key factor in perpetuating family violence. We can help keep more families free from violence by raising awareness, preventing, and better responding to financial abuse.

EACH has significant experience working with financial abuse victim-survivors and we are seeing continued growth in this cohort. We recently secured a \$100,000 grant through the Commonwealth Bank’s Next Chapter Innovation program to further investigate financial abuse in small business.

Our submission outlines some of the significant issues around financial abuse that the Victorian Government could potentially help address, with recommendations for consideration in the Rolling Action Plan. Financial abuse relates to most themes of the consultation and the issues overlap, so our submission is a consolidated response to the survey questions in aggregate.

ISSUE 1 – PUBLIC SECTOR DEBT MANAGEMENT

Victim survivors of financial abuse can unknowingly incur debt as a result of their family member’s activities, and/or directly accumulate debts due to their personal financial circumstances. Government and private sector systems typically fail to recognise these circumstances.

Within Government departments and agencies there is a lack of awareness and understanding of how to engage sensitively with those experiencing financial abuse, and of how government systems and processes can further traumatise victim survivors.

In addition, there is a lack of nuanced, balanced policy on fair debt management, which deepens the impacts of financial abuse on victim-survivors.

“The request to repeatedly relay traumatic details was distressing. I was forced to relive my trauma, searching for text messages and evidence. Each interaction lacked a human touch – no words of understanding or offers to collaboratively address my situation. A dedicated family violence officer could have been more considerate.”

- EACH financial counselling client following their interactions with the State Revenue Office.

Issue 1 - Recommendation

Establish a dedicated, Whole of Government Committee to review public sector debt management-related policies and practices that affect people experiencing family violence, and develop evidence-based recommendations for identifying and supporting these Victorians.

The committee should create and implement a Fair Debt Strategy for the management of debt owed to State Government by victim survivors of financial abuse, the strategy to include:

- Financial abuse and vulnerability assessment protocols to help public servants identify and support people they interact with who may be experiencing financial abuse.
- Fair and best-practice debt management practices for public servants and contractors who collect debts, and
- Recommended changes to department and agency practices to help victim survivors avoid incurring public sector debt.

The committee should include representatives of agencies and departments to which people incur debt as well as people with lived experience.

This approach has been successfully implemented in other countries including New Zealand and the United Kingdom.

ISSUE 2 – THE HOUSING EFFECT

Financial abuse as a form or component of family violence becomes highly visible and a crisis in its own right when victim survivors attempt to flee violence.

We know that our victim survivor clients typically cannot stay in the family home for a variety of reasons, including that the mortgage is not in their name or that they are unable to make repayments due to no or low-paid employment.

They typically cannot meet mortgage lender or landlord requirements because of employment/income insecurity combined with any of:

- No credit history because accounts have not been in their name
- Bad credit history due to debts incurred under their name without their knowledge or authorisation (a common form of financial abuse)
- Cannot access their bank accounts.

The State Government's Homes 4 Families (H4F) program, which EACH delivered in in the South Eastern Metro area of Melbourne, recognised the need for extended support for families fleeing family violence to re-establish in new homes in new areas.

The program provided rent and relocation subsidies and employment re-engagement support as well as help for children to enter new schools and engage in community activities. The program has been life-changing and life-saving for many women and provides a template for alleviating accommodation-related elements of financial abuse arising from family violence.

Issue 2 - Recommendations

That the State Government:

- explicitly recognise financial abuse victim-survivors as family violence victim-survivors so that they have Priority Access when or after escaping the abuse.
- Support or underwrite a low or no-interest loan scheme for victim-survivors, issued through financial institutions, so they can stay in their homes and retain important assets (including vehicles).
- Extend the Homes 4 Families program for from 30 June 2024 for at least two years, and evaluate its impact.

ISSUE 3 – AWARENESS OF FINANCIAL ABUSE

There is overwhelmingly a lack of awareness and understanding amongst the broader Victorian community – including industry - of what financial abuse is, what it looks like and how to spot it, the wide-reaching impacts it has, and how to prevent and respond to it.

Without awareness and understanding, there cannot be an effective, collective effort to address financial abuse.

We note that Victorian MP Sonja Terpstra has developed useful resources as part of her My Money initiative which could be a starting point for more comprehensive engagement and education.

Issue 3 - Recommendations

That the State Government develop an evidence-based and lived experience-informed awareness campaign about financial abuse as a form of family violence, incorporating:

- Financial literacy resources for victim-survivors online, and in hard copy available through Local Government, GPs, small business, legal centres, community centres and other touchpoints
- Resources to educate relevant sectors including lawyers, accountants, financial institutions and the Real Estate Institute of Victoria
- Information in the *Resilience, Rights and Respectful Relationships* learning materials that are part of the State Government's Respectful Relationships schools program.

ISSUE 4 – LEGAL ACCESS FOR VICTIM-SURVIVORS

Victim survivors of financial abuse often lack the financial resources to access the legal advice or representation available to other parties including their former partners.

Our victim survivor clients often need property settlement to legally resolve financial abuse but property settlement is not covered by Legal Aid.

Issue 4 - Recommendation

Provide and promote State Government-funded family violence legal services to help women flee and recover from financial abuse, including property settlement and custody negotiations, and including interpreter fees.

This could be achieved through greater resourcing of community legal centres and Legal Aid, through partnerships with universities and university legal clinics, or via subsidy grants to victim survivors.

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