

Feedback: Treasury Review of the early release of superannuation benefits

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Introduction

safe steps thanks The Treasury for the opportunity to provide feedback in relation to the Review of the early release of superannuation benefits under compassionate and financial hardship grounds and for victims of crime compensation. We have limited our comments below to those areas of the Review which propose specifically to respond to the needs of victim-survivors of family and domestic violence.

safe steps does not support the proposal to allow victim-survivors of family violence to access their superannuation early to respond to financial hardship. We are concerned that this fails to hold the perpetrator accountable for financial abuse, and exacerbates the many inequalities that women already face in building enough superannuation to act as an effective safety net in retirement. We discuss other measures which have been piloted to support family violence victim-survivors experiencing financial hardship, including the Flexible Support Packages scheme in Victoria, and encourage the Federal Government to explore options along this line as part of the Fourth Action Plan of the National Plan to Reduce Violence Against Women and their Children.

About safe steps

safe steps Family Violence Response Centre ("**safe steps**" is Victoria's 24 hour, 7 day per week statewide first response service for women (including women who identify as female or transfeminine), young people and children experiencing family violence. **safe steps** provides a critical service, including intervention, support, accommodation, advocacy and referral throughout Victoria and nationally.

Our work includes referring women who have experienced family violence and are involved in current Magistrates or Family Court proceedings with legal and social support services via the Family Advocacy and Support Service (FASS). We connect women with a specialist **safe steps** social worker who can accompany them and ensure they are safe while at court, and offer emotional support.

safe steps is committed to ensuring all women and children are able to live free from abuse - our ultimate goal is the elimination of family violence. We acknowledge that family violence is inherently gendered in nature, with the overwhelming majority of family violence perpetrated by men, against women. On this basis, in this submission we refer to the victim-survivor as female and to the perpetrator as male.

Our contributions to policy and legislative reform are evidenced-based, informed by a feminist framework and prioritise the safety and wellbeing of women, young people and children.

Other potential new grounds not currently in legislation: victims of domestic violence

safe steps does not support the early release of superannuation as a response to the costs suffered by victim-survivors of family violence. We believe that this exacerbates ongoing financial hardship experienced by victim-survivors, placing responsibility and additional duress on the victim-survivor where the perpetrator should instead be held accountable. Below, we explore a range of reasons why early release of superannuation is not an answer to the financial hardship experienced by victim-survivors of family violence.

Financial abuse

A power and control tactic frequently exercised by perpetrators is the use or threat of economic abuse. Numerous submissions to the recent *Parliamentary Inquiry into a better family law system to support and protect those affected by family violence* highlighted, for example, the ways in which perpetrators seek to manipulate and draw out legal processes in order to exacerbate the victim-survivor's experience of financial hardship. Perpetrators might also limit access to income, remove financial autonomy, and their violence may lead to homelessness or the threat of homelessness.

Early access to superannuation does not provide redress for the victim-survivor but instead threatens her future financial security further by revoking her retirement safety net. This will only play into the perpetrator's desire for long-term financial power and control.

Existing Imbalance in Superannuation for Women

Women already face a range of barriers to financial equity:

- The current national gender pay gap is 15.3%, with men working full-time earning, on average nearly \$27,000 per year than women working full-timeⁱ.
- The Association of Superannuation Funds of Australia has highlighted that women retiring in 2016 had, on average, \$120,000 less in their superannuation than menⁱⁱ.
- Women continue to bear unequal responsibility in care-giving roles, both for children and for elderly parents, leading to greater likelihood of spending time out of full-time work without contributions being made to superannuationⁱⁱⁱ.
- Couch surfing in older women has almost doubled in the past four years and there has been a similar increase in the number of older women sleeping in cars, pointing to a growing trend of women facing financial hardship later in life^{iv}.

The early release of superannuation as a response to financial hardship experienced by victim-survivors of family violence, will only exacerbate these issues. Around 95% of all violence is perpetrated by men while victim-survivors are overwhelmingly more likely to be female^v. Thus the significant majority of adults forced to draw down on their retirement safety net to support themselves after experiencing family violence will be women, heightening their existing superannuation and pay inequity.

For similar reasons, the Australian Law Reform Commission has previously expressed hesitation over the early release of superannuation to family violence victim-survivors, noting submissions from the Association of Superannuation Funds of Australia and Women's Legal Services NSW which argue that ideally, the social security net would be strengthened and that would be the means by which victim-survivors seek financial support^{vi}.

Interconnectivity of Issues Raised by the Discussion Paper

The Treasury should not overlook the fact that many of the issues experienced by women highlighted elsewhere in the Discussion Paper – around financial capacity to pay for housing, or for medical treatment – may already intersect with, or be impacted by experiences of family violence. 55% of all women with children who accessed specialist homelessness services said escaping family violence was the main reason for seeking those supports; poverty and financial hardship are issues for 32% of women escaping family violence^{vii}. In Victoria, intimate partner violence contributes to more death, disability and illness in women aged 15 to 44 than any other preventable risk factor, including smoking and obesity^{viii}. Based on these indicators it is very reasonable to assume that of those women already obtaining early access to their superannuation for medical treatment or housing expenses, the experience of family violence is already a factor. Again, this compounds the long-term financial stress experienced by victim-survivors of family violence.

Other Options

The upcoming process to develop the Fourth Action Plan of the National Plan to Reduce Violence Against Women and their Children, should consider alternative options to support women and their children with the long-term financial impacts of family violence and in particular, the immediate cost of living free from violence. In doing so the Department of Social Services should pay special attention to the successful Flexible Support Packages program which has been introduced in Victoria as an outcome of the Victorian Royal Commission into Family Violence. Flexible Support Packages provide up to \$7000 toward the cost of services and goods nominated by the victim-survivor in her support plan. This might include:

- Financial stability – basic material needs including food, clothing, care packs, bills and utility debts
- Technological safety support – CCTV, mobile phone, personal/property alarm; security doors or lighting
- Health and wellbeing – medical or pharmaceutical costs not covered by Medicare or the Pharmaceutical Benefits Scheme, counselling or specialist services
- Safe, stable housing – public or private housing debt, rent in advance, rent arrears, relocation costs, travel costs, furnishings and whitegoods in newly established housing
- Economic, social and community participation – schooling, educational costs, workforce readiness (for example, Adult Education or TAFE courses)
- Independence – clothing, care or placement of pets, outings, wellbeing courses^{ix}.

The Flexible Support Packages program recognises the financial costs of escaping family violence but does not put the burden on the victim-survivor and as such, heightens the ability to hold the perpetrator accountable. This is in line with both National Plan Outcomes 4 and 6. These are the kind of options the Government should be exploring at a Federal level, not asking victim-survivors to deplete their own superannuation in response to violence.

Conclusion

The introduction by the Hawke-Keating Governments of compulsory superannuation contributions under the Superannuation Guarantee was envisioned to create a safety net so that workers could retire with some degree of security in their old age. When Australians experience economic hardship as a result of health problems, housing inaffordability and family violence, these are issues which should be addressed by the Government at their root cause. As Australia's population ages, forcing Australians to draw down on their retirement safety net to respond to financial hardship now will only lead to more significant problems for Governments of the future.

Women already experience inequity in their pay and superannuation, and they are also more likely to experience family violence. Allowing a victim-survivors' experience of family violence to further exacerbate her long-term financial insecurity by requiring her to draw down on her own superannuation to pay for financial costs incurred, caused or encouraged by perpetrators, does not provide redress and fails to hold the perpetrator accountable for his actions. This is an objective which should be at the centre of any new initiative intended to address the impacts of family violence.

ⁱ Australian Government Workplace Gender Equality Agency (2018) 'What is the gender pay gap?', <https://www.wgea.gov.au/addressing-pay-equity/what-gender-pay-gap>

ⁱⁱ Robertson, Andrew (27 October 2017) 'Women's superannuation not so super: the \$120,000 gender gap', ABC News, <http://www.abc.net.au/news/2017-10-27/it-is-time-for-superannuation-to-be-fairer-to-women/9087556>

ⁱⁱⁱ Australian Human Rights Commission (2013) 'Investing in care: Recognising and valuing those who care', Volume I: Research Report, http://www.humanrights.gov.au/sites/default/files/document/publication/UnpaidCaringVolume1_2013.pdf

^{iv} McDonald, Philippa (8 August 2017) 'Homelessness: Older women couch surfing, sleeping in cars due to unaffordable housing', ABC News, <http://www.abc.net.au/news/2017-08-07/older-women-become-hidden-face-of-homelessness/8782816>

^v TheLookout (October 2016) 'Fact Sheet 7 – Family Violence Statistics', http://www.thelookout.org.au/sites/default/files/The-Lookout-fact-sheet-7-family-violence-statistics_0.pdf

^{vi} Australian Government Australian Law Reform Commission (2012) 'Family Violence and Commonwealth Laws – Improving Legal Frameworks', *Superannuation Law*, <https://www.alrc.gov.au/publications/19-superannuation-law/gaining-early-access-superannuation-0>

^{vii} Council to Homeless Persons (2015) 'Fact Sheet: Family Violence and Homelessness', <https://chp.org.au/wp-content/uploads/2015/06/Family-violence-fact-sheet-FINAL.pdf>

^{viii} VicHealth (2004, Reprinted 2010) 'The health costs of violence: Measuring the burden of disease caused by intimate partner violence', [file:///C:/Users/meghan.h/Downloads/IPV%20BOD%20web%20version%20\(2\).pdf](file:///C:/Users/meghan.h/Downloads/IPV%20BOD%20web%20version%20(2).pdf)

^{ix} Department of Health and Human Services, State Government of Victoria (2017) 'Family violence flexible support packages program requirements', <https://providers.dhhs.vic.gov.au/family-violence-flexible-support-packages-program-requirements-word>