

14 February 2019

Manager, Early Release of Superannuation  
Retirement Income Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam

**Re: Review of the early release of superannuation benefits**

**safe steps** Family Violence Response Centre welcomes the opportunity to provide feedback on the Review of the early release of superannuation benefits ('the Review').

**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 intervention, including support, accommodation, advocacy and referral throughout Victoria and nationally. We are committed to ensuring all women and children are able to live free from abuse and our ultimate goal is the elimination of family violence.

**Concerns with the proposal**

In February 2018, **safe steps** submitted a response to the first consultation phase stating our opposition to the proposal to change the *Superannuation Industry (Supervision) Regulations 1994* ('the Regulations') and allow victim survivors of family and domestic violence early access to their superannuation in response to financial hardship. Our position was based on the following concerns about the proposal:

- Early access to superannuation penalises victim survivors later in life by damaging their ability to accumulate enough savings to act as an effective safety net in retirement.
- It fails to hold the perpetrator to account, particularly when financial abuse has been an element of the violence.
- It exacerbates economic inequalities and the long-term financial insecurity already facing women in Australia.
- Creating an avenue for women to draw upon their private superannuation savings to recover after family violence shifts responsibility away from government to the individual to remedy a public harm.

**Expansion of Flexible Support Packages nationally**

**safe steps** expressed our preference for the Australian Government to invest in the social safety net to address economic hardship, health problems or homelessness caused by family violence. Indeed, we welcome the statement in the Review Issues Paper that "the early release of superannuation regime is not intended to be a substitute for adequate government support".

We consider that other measures to support family violence victim survivors experiencing financial hardship, such as the Flexible Support Packages scheme in Victoria, are a better means to achieve the same outcome. We encourage the Federal Government to expand the Flexible Support Package program nationally, or explore similar government-funded welfare options, as part of the Fourth Action Plan of the National Plan to Reduce Violence Against Women and their Children in 2019.

## Safeguards for victim survivors if proposal goes ahead

If the Federal Government decides to proceed with the proposal to extend existing compassionate grounds to victim survivors of family and domestic violence, **safe steps** would argue for the following crucial protections to be considered:

- Additional funding should be allocated to specialist family and domestic violence services and sexual assault services, specialist homelessness services, community legal centres and financial counselling services, to ensure victim survivors have access to expert support and advice when recovering from violence, and to empower women to build their long-term financial security into the future.
- Australian Tax Office (ATO) staff assessing applications for early release of superannuation must be adequately trained in family violence so that they can provide trauma-informed responses to victim survivors, and recognise when perpetrators may be intervening to inflict further abuse on victim survivors, or manipulating the system for their own financial gain. Training should also provide ATO staff with information about appropriate referral pathways for victim survivors to specialist family violence, legal and financial services, as well as an understanding of the particular needs of victim survivors with disabilities, from CALD backgrounds and culturally safe practices for working with Aboriginal and Torres Strait Islander Australians. To this end, we support Draft Proposal 3 regarding the provision of information about alternative avenues of support, such as the 1800RESPECT number. We would like to see this proposal strengthened so that it is mandatory for ATO assessors to provide this information, and we agree with the Financial Rights Legal Centre that assessors must provide evidence that the applicant cannot access funds via other services due to a lack of availability of funds.
- The application and evidentiary processes associated with the release of superannuation must not be onerous, to ensure speedy access to funds for recovery, reduce the burden on victim survivors, and minimise re-traumatisation.
- We note the recommendation made by Women's Legal Services Australia that victim survivors who access their superannuation early should be offered tax relief. We would encourage the Federal Government to explore this or similar concessions that go some way in remedying the depletion of a women's retirement savings caused by the proposal.
- **safe steps** agrees with Domestic Violence Victoria that the principle of 'last resort' must be defined and the criteria for a new compassionate ground clearly spelled out in the Regulations to remove any ambiguity about the operation of the new provisions. For example, the Regulations must make it clear that all reasonable financial assistance avenues are exhausted prior to women seeking to access their retirement savings.

## Conclusion

We do not support changes to the existing provisions governing early release of superannuation on compassionate and severe financial hardship grounds for the reasons outlined above. Should the proposed changes go ahead, we would urge the Federal Government to consider implementing safeguards to protect the long-term financial security of women.

Thank you for the opportunity to respond to the Review. We would be happy to discuss any of these issues in further detail.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Suzanne Dvorak', written in a cursive style.

Suzanne Dvorak  
Chief Executive Officer