

Ten things to know from our report

1. Financial and economic abuse can happen to anyone from any walk of life. Australian Bureau of Statistics data suggests that 1 in 6 women and 1 in 13 men have experienced economic abuse by an intimate partner.
2. The tax system is being used to perpetrate financial abuse. Victim-survivors are often unaware it is happening until it is too late, usually after they receive notifications of tax debts that have accrued in their names.
3. Financial abuse is not always obvious or visible, and victim-survivors often find it difficult to report, provide evidence and seek the support they need. The ATO needs to consider how it can work with trusted partner organisations to gather the necessary information about the financial abuse, whilst supporting victim-survivors and avoiding further trauma in the process.
4. Victim-survivors are often stuck with the debts inflicted on them because the ATO has limited powers to clear a tax debt entirely or to transfer it to the perpetrator of the abuse. More opportunities to clear the debt, within existing legislation, need to be explored, as well as any future legislative changes the Government may be considering. In the meantime, victim-survivors need better trauma informed support and better guidance on what options they have to pause or delay payment.
5. ATO frontline staff don't always recognise the warning signs of financial abuse. There is a lack of relevant training, policy and guidance to identify and support taxpayers impacted by financial abuse. ATO needs a specialist support team for victim-survivors, with specialist knowledge and trauma-informed practice; and awareness training for all frontline staff.



The impacts of financial abuse in the tax system are not limited to just tax. They can have impacts right across the range of government support services for victim-survivors.



6. Financial abuse in the tax system also impacts child support and other welfare payments that rely on timely and accurate tax returns. Late or inaccurate tax returns prevent Services Australia from correctly assessing child support and other benefits. This may leave victim-survivors with under or unpaid child support or family tax benefit overpayments. There are opportunities for the ATO to collaborate with Services Australia and improve their data matching to increase the success of the lodgement enforcement program.
7. Victim-survivors have to deal with each agency separately. This compounds the impacts of the abuse on the victim-survivor, by having to re-tell their history. They can also find that their eligibility for relief from one debt is impacted by debts held by other agencies. Government agencies need to consider debt relief holistically in financial abuse situations.
8. The ATO should clarify laws about when it may share information about possible financial abuse with other organisations and agencies to enable them to take action, including law enforcement.
9. The ATO understands that financial abuse in the tax system is a problem and is working to improve the support it provides to taxpayers experiencing vulnerability and hardship, including those experiencing financial abuse.
10. Prevention is better than response. All Government agencies are being encouraged to introduce “safety by design’ into future policy making and service design. We commend this approach to the ATO.