Submission to the Inquiry into financial services regulatory framework in relation to financial abuse

Please accept this submission on behalf of Parkerville Children and Youth Care (Parkerville CYC). We welcome the opportunity to respond to the Inquiry into the financial services regulatory framework in relation to financial abuse.

In our submission, we draw upon practice evidence developed through our support to children, young people and their families to address the impacts of trauma and adverse childhood experiences. As such, we particularly respond to the Inquiry's areas of focus as they relate to, and have impact on, children and young people.

Acknowledgement

Parkerville CYC acknowledges the lives and experiences of the children, young people and families who are affected by all forms of child abuse. We recognise their individual stories of courage, hope and resilience, and that of all victim-survivors.

Parkerville CYC respectfully acknowledges Aboriginal and Torres Strait Islander peoples as Traditional Owners of this land, and we pay our respect to their Elders past and present.

Our holistic support to children, young people, and families

Parkerville CYC is a For Purpose organisation that supports children, young people, and their families to build skills and capacity, address the impacts of trauma and adverse childhood experiences, and develop capabilities that will enable them to be the best versions of themselves. We see a future where Western Australia is the safest place in the world and all children, young people, and their families feel safe to dream, to thrive, and to reach their fullest potential. We have been working alongside vulnerable children, young people, and their families for 121 years, and in 2022/23 our programs and services supported over 13,540 people across WA through our therapeutic, out-of-home care, youth, and education services. The future of those we serve depends on what we do in the present to support them to reach their potential.

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Our Values

Bold and Courageous
We stand up for what is right and assist to amplify the voices of the children, young people, families and communities we support.

Curious and Humble
We search out information and data that will help us remain at the forefront of all that we do.

Caring and Respectful
We acknowledge and embrace the diversity and individuality of everyone we meet and all those we serve.

Hopeful
We believe in the power of positivity and are optimistic about change, having faith that together we can overcome any challenge we may face.

Truthful and Accountable
We are committed to being open, honest and taking responsibility for our actions.

Our Purpose

Our purpose as an organisation is to support children, young people, and their families to build skills and capacity, address the impacts of trauma and adverse childhood experiences, and develop capabilities that will enable them to be the best versions of themselves.

Parkerville CYC's services

Therapeutic Services

- **Multi-agency Investigation and Support Team (MIST):** co-located, multi-disciplinary, trauma-informed model to reduce harmful impacts of trauma from abuse. It is WA's first truly integrated child sexual abuse (CSA) response, with Child Advocacy Centres in Armadale (2011) and Midland (2019). MIST's core principle is to reduce instances of children having to tell and re-tell their story, and coordinate services (including Police) to wrap around the child and family, through collaborative relationships and knowledge-sharing.
- **Therapeutic Services:**
  CSATS: We provide a Child Sexual Abuse Therapeutic Service (CSATS) in a regional area of WA.
  PACTS: We also provide a Parents and Children's Therapeutic Service (PACTS) in a northern Perth suburb. 84% of children and young people receiving a service had experienced child sexual abuse.

Education Services

- **Child and Parent Centres (CPCs):** Parkerville runs two CPCs in Perth, servicing 12 primary schools in vulnerable communities.
- **Education Employment and Training Program (EET)**: For young people at extreme educational risk due to trauma, mental health, family issues

Youth Services

- **Support and Community Services (SACS):** service for families with children aged 4-14 that are experiencing homelessness, or at risk of homelessness and living in supported accommodation.
- **Moving Out, Moving On (MOMO):** service for young people aged 15-21 who are experiencing homelessness, or at significant risk of homelessness or transience.
- **Reconnect:** diversion and early intervention service for families with young people (12-18) at risk of homelessness or family breakdown.
- **Young Women's Program:** medium-term accommodation and support for young women (including those with children) aged 16-25 experiencing or at risk of homelessness, or who need help to live independently.
- **Armadale Youth Accommodation Service (AYAS):** short-term crisis accommodation for young people experiencing/at risk of homelessness.

Our Way Home (Out of Home Care)

- Parkerville CYC cares for 126 children and young people across foster care and family group homes, and an intensive residential program for young people aged 12-17 currently under the care of the Department of Communities. We are implementing an innovative new model (Our Way Home) – radically personalised shared care: focusing on the needs and desires of each child, and deliberately seeking to establish, maintain and deepen connections between children and their families.

Introduction

We commend the extensive work undertaken by researchers and both peak and frontline organisations working to support the wellbeing of women and children, to define, describe and evidence the scope and depth of financial abuse as a form of FDV. As such, we will not reiterate the different forms of financial and economic abuse, nor describe the many ways in which women and their children continue to experience abusive and controlling behaviour from perpetrators.

This submission draws upon this work to emphasise the impact for children and young people as victim-survivors of financial abuse in their own right: both the impact of financial abuse targeted towards mothers on children's safety and wellbeing, and the impact of economic abuse directly targeted at young people.

1. Financial Abuse Post-separation: impact for children

As noted above, our focus in this submission is emphasising the impact of financial abuse on children and young people: identifying and advocating for children and young people as victim-survivors of financial abuse in their own right.

Financial abuse enacted after physical separation from a perpetrator causes real material hardship for children: exacerbating and compounding an already unsafe and unstable environment, and embedding poverty. Children are in an environment in which mothers are managing the chronic stress of financial deprivation, alongside the physical consequences that this brings, including restricted ability to provide food and other essentials, and insecure housing or homelessness.

1.1 Financial abuse through the Legal System

Recent data has found that women, including FDV victim-survivors, receive half of the publicly funded legal aid compared to men. This can relate to conflict of interest: it may be that Legal Aid solicitors represent the perpetrator in other criminal law matters, and so cannot represent the victim-survivor; or simply that the perpetrator has applied for Legal Aid first, disqualifying the provider from representing the victim-survivor, and no other free services are available. It may be that disadvantaged women who need legal assistance are means tested as ineligible for legal aid grants: the financial criteria for legal aid eligibility often considers overall household income rather than women's (considerably lower) individual income (UNDP, 2016).[1]

Regardless: we see time and again through our frontline practice that women seeking safety for themselves and their children are denied the free legal support that they require, simply because the perpetrator of FDV has accessed the service first. Women are already disadvantaged by the gender pay gap and the financial impact of motherhood, and financial abuse may have been part of the FDV perpetrated by their partners – disadvantaging them further as they seek to leave and create safety. The penalty of resourcing private solicitors' fees will therefore be greater, as will the additional impact of (as is often the case) having primary responsibility for all financial outgoings related to their children.

[1] United Nations Development Programme (2016). *Global Study on Legal Aid: Country Profiles*. United Nations: New York

Our practitioners are therefore clear with women about the imperative of applying for Legal Aid as soon as possible, but the system is failing when women escaping FDV with their children must race to a find a free provider before the window closes and she is left to exhaust her personal financial resources. Legal assistance services provide vitally important supports to women and their children impacted by all forms of FDV, but as Women's Legal Services WA have noted, 'Private Lawyers are expensive, and out of the reach of many FDV victims. At present, there simply are not enough legal assistance services to meet demand' (WLSWA, 2019).[2] This is particularly true for specialist women's services, which bring a deep understanding of the nature and dynamics of violence and impacts of trauma, are adept at providing safe spaces for women and children, and have a strong child protection and safety lens.

Recommendation 1: As things stand, perpetrators are able to use the legal system to extend their abuse against their former partner and their children. The system must be reformed to ensure that financial support for legal costs associated with escaping FDV is available to those that need it.

1.2 Child support

We welcome recent research and advocacy about the link between non-payment of child support and economic abuse, and particularly echo the sentiments of Women's Legal Services Australia (2024) that the current system reinforces traditional power dynamics, upholds men's financial interests, and facilitates economic abuse against women and children[3] - the description of the child support system as an 'institutionalised system of begging'[4] seems apposite in many cases.

As noted by the recent Economic Inclusion Advisory Committee Report to Government, child support payments – as private financial transactions made typically by a non-resident parent to a resident parent to support the cost of children following parental separation – are overwhelmingly made to mothers (88%), reflecting the deeply gendered division of work and care in Australia that contributes to single parent poverty. And yet, women and their children can find themselves trapped in poverty as a result of, 'the decisions of co-parents who game a poorly designed child support system' (Economic Inclusion Advisory Committee Report, 2024). Indeed, the Committee draws on recent evidence showing that 80% of surveyed single mothers reported that their ex-partners replaced physical violence with financial abuse via child support, following separation. As the report highlights, the Maintenance Action Test exemption does not appear to recognise the risk of financial violence that separated mothers face, or the role the child support plays in its perpetration.

This system-sanctioned impoverishment is a direct harm to children living in single mother households, particularly given that financial abuse via child support is highly likely to be one indicator in a larger picture of FDV perpetration to which children have been exposed. And critically, as a payment *for the child*, non-payment is a direct privation for the child, and a denial of their right (as enshrined in the UN

[2] Women's Legal Service WA (2019). *WA Government 10-Year Strategy for Reducing Family and Domestic Violence Submission*

[3] Women's Legal Services Australia (2024). *Non-payment of child support as economic abuse of women and children: a literature review*

[4] Kay Cook, The international failure of child support, Transforming Society (Blog Post, 3 May 2022) https://www.transformingsociety.co.uk/2022/05/03/the-international-failure-of-child-support/

Convention of the Rights of the Child) to share in the financial resources of their parents. As such, we firmly support Women's Legal Services Australia's call for:

Recommendation 2: Non-payment, underpayment, and delayed payment of child support to be nationally recognised as a form of economic abuse with long-lasting impacts on women and children.

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2. Young People impacted by economic/financial abuse

We find in practice – and research supports – that young people can be particularly susceptible to economic abuse, and this is compounded for young people with adverse childhood experiences and/or exposure to trauma. One study found that 1 in 10 young women and 1 in 20 young men have been victimised, but that their conceptualisation of abuse as primarily physical violence meant that they often do not recognise their experiences as abuse. Young people are generally less experienced both in relationships and in managing independent finances, and particular risk factors that increase dependence, vulnerability and premature economic entanglement (moving in together, pregnancy and young parenthood, and unemployment, for example), place young people at increased risk of financial abuse (Kutin, 2019).[5]

This manifests in different ways across Parkerville's work, but for our Youth Services programs in particular, young people seek support because they have experienced trauma - often multiple[6] and intersecting – and overwhelmingly because they are impacted by the entrenched disadvantages brought by systemic gender inequality, economic inequality, and the intersection with overlapping and compounding disadvantages like ethnicity, intergenerational trauma, gender identity and sexual orientation, and cultural context. This is compounded by the systems abuse that creates preventable harm to young people, and undermines their welfare, development and security, failing them at their most vulnerable times (Lorek, 2024).[7]

In the context of financial abuse, we see numerous examples of systems failing to safeguard vulnerable and disadvantaged young people: because they are overly complex, because they exclude young people's agency and authority over their financial resources by design, and/or because they enable young people to be financially abused and exploited by those with the access or authority to do so.

2.1 Financial systems barriers

A fundamental barrier for young people under 18 seeking to extract themselves from abusive family environments and establish safety and independence is the bureaucratic burden of proof of identity. Alongside managing the impacts from multiple disadvantage and trauma, young people are thrown into a highly complex, highly bureaucratic financial and services system as they seek to establish the basics

[5] Kutin, J. (2019). "Exploring how economic abuse manifests in young adult relationships", Thesis for PhD
[6] The Australian Child Maltreatment Study found that 2 in 3 children who are maltreated experience more than 1 type of maltreatment; with 23.3% experiencing 3-5 types. Further, each form of hardship (parental separation, family mental illness, family substance problems and family economic hardship) doubles the risk of multi-type maltreatment. See: Mathews B *et al*. (2023). *The prevalence of child maltreatment in Australia: findings from a national survey*. Med J Aust. 218 (6).
[7] Lorek, B. (2024). *When systems designed to protect do harm*, Centre for Excellence in Therapeutic Care: Australian Childhood Foundation

of financial autonomy. However, banking institutions require ID documentation (namely a birth certificate, passport, and/or driver's license), that a young person may not have at all, or may not be able to safely acquire or reclaim from their family; parental/guardian consent for young people under 15; along with proof of residential address, which is highly challenging for the young people that Parkerville supports.

This barrier is hugely significant: without a bank account, it becomes extremely difficult to get employment, and impossible to access Centrelink. Our case managers provide substantial support to young people in our Youth Services programs in acquiring suitable ID, particularly around engaging with obstructive and/or abusive family members to retrieve documentation wherever possible and safe. However, this is a systemic barrier, and leaves young people facing economic insecurity, or having to put themselves back into unsafe environments or dynamics.

Recommendation 3: Reform is needed to remove barriers to adolescents/young people accessing banking services, recognising the unique circumstances and requirements of those who are leaving unsafe home environments, and the significant impact that lack of financial autonomy has on their ability to access supports and create safety.

2.2 Economic exploitation

The young people that we serve are overwhelmingly coming to us from family environments of pervasive violence, with financial abuse one manifestation that often presents as partners, family and extended kinship networks exerting pressure on young people to relinquish any financial resources. This frequently results in young people not meeting their own personal and basic needs.

In our Moving Out Moving On program - which supports young people aged 15-21 who are experiencing homelessness, or at significant risk of homelessness or transience – all young people in the 2023 reporting periods identified that a historical or current occurrence of FDV influenced their decision to leave home. Within this ubiquitous context of FDV, 45.5 per cent of young people reported specific experiences of financial abuse in the July – December 2023 period, and 66 per cent for the January – June 2023 period.

The financial exploitation of the young people that Parkerville supports is pervasive, insidious, and manifests in different ways according to individual context. However, there are some key trends that our practitioners observe and around which they provide support:

- Young people who come from and are still connected with extended family or kinship networks. These families and networks are often impacted by cycles of generational poverty, with shared understandings about how finances should be distributed or allocated. In practice, this can mean young people being expected or pressured to use or share any financial resources that they have, regardless of the impact on their safety and wellbeing (see Case Snapshot below);

Case Snapshot

Case Snapshot redacted

- Perpetrators of violence against (particularly) young women using indirect means to financially abuse or exploit. For instance, perpetrators in prison or with restricted access being able to send threats by text message that people on the outside are monitoring them and they have to transfer money or their safety will be threatened;
- Economic exploitation of young people's labour: we support many young people who find informal accommodation in exchange for unpaid caring of younger children;
- In our Education, Employment and Training program – for young people at extreme educational risk due to trauma, mental health, and family issues – the students receive a wage to reflect the practical application of the skills that they acquire through the program. There have been instances in which our team have had to intervene to safeguard young people from financial exploitation, particularly supporting them to ensure that they have a bank account, that the wage is paid into this bank account, and that parents/guardians, partners and friends cannot access this wage or manipulate/coerce them into sharing it for alcohol, substances and other personal use (see Case Snapshot below);

Case Snapshot

Case Snapshot redacted

And a further significant trend that builds on our comments about Centrelink in the previous section:

- Young people in our Youth Accommodation services known by their family/kinship networks to have Centrelink income at risk of financial exploitation. Our practitioners support young people to access Centrelink Income Management to ensure that family, friends, and current or former partners are not able to take advantage of their income.

- Young people leaving home whose parents or guardians are receiving Centrelink payments (e.g., Family Tax Benefit): in our frontline support, it is common to see young people receive threats or pressure to not access Centrelink because it will lower the Centrelink income of their parent/guardian – i.e., when a young person enters crisis accommodation, starting the Centrelink process is one of the very first actions; this flags on the system that the young person is to be removed from their parent/guardian's account.
    - This triggers various responses or pathways as the parent/guardian seeks to sabotage the young person's efforts to apply for Centrelink: the parent/guardian may respond with aggression and violence, or the threat of violence stops the young person from proceeding with the process; the parent/guardian manipulates or coerces the young person to 'share' those financial resources, or to not apply with the promise that they will give the young person a nominal amount.

In the face of these kinds of threats and coercive behaviours, and given the context of systemic barriers (as described above), young people often feel compelled to disengage from system supports entirely, and find alternative – frequently unsafe – ways to sustain themselves financially. This intersects with the childhood 'trauma fabric' of the young people that we support: young people affected by homelessness are more likely to have experienced sexual violence in their past, and insecure housing – alongside pre-existing normalisation of violence and exploitation - creates heightened risk and vulnerability to be exploited by perpetrators.

As a result, we see young people who have developed systems, behaviours, and relationships to navigate and order an insecure world, but which are fundamentally built upon the sexual (and/or, not unusually, labour) exploitation of young people to secure the resources, housing, and human connection that they need. CSE for young people experiencing homelessness forms part of a complex picture, but some examples from practice include:

- Normalisation of self-produced child exploitation material:
  - Caregivers facilitating sexual exploitation by selling personal images and sexualised materials; young people becoming normalised to and continuing this behaviour.
  - Young person with a history of CSA selling sexually explicit photos and being paid with Uber Eats; high risk associated with perpetrator knowing her address.
- Young people reporting knowledge of organised criminal networks to which they can sell sexual content or 'services.'

This can be seen further in the case snapshot below.

Case Snapshot

Case Snapshot redacted

Summary

In our work supporting vulnerable children, young people, and families, we are continually awed by the resilience they display in managing the impacts of abuse, trauma and/or other, often overlapping, challenges. Trauma-informed, person-centred care is at the heart of Parkerville's work, and we endeavour to circumnavigate seemingly implacable systemic barriers by working with agility and flexibility, leveraging relationships and finding workarounds to access services.

Children and young people who have been highly disadvantaged by abuse, trauma, and other adverse childhood experiences, whose often complex and multiple needs repeatedly fail to be accommodated, require, and deserve, a system that supports them at the point of need, reduces system complexity and secondary victimisation, and affords them dignity and care. In particular, we stress the need for a child and young person's lens in any discussions about policy responses to financial abuse: this is critical to safeguarding and promoting the needs and rights of children impacted by FDV in all its forms, and in enabling young people to establish safety, autonomy and empowerment.

Yours sincerely,

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