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Inquiry into the financial services regulatory framework in relation to financial abuse in Australia.

Submitted by:

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***Please keep my name confidential.**

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Financial coercion in marriage and post-separation.

Invisible. Unseen. Less than.

The system which has been put in place to protect me and my children is broken. It has been set up by men a long time ago, and continues without understanding what it is women need, without a clear view to people like me who must navigate it. It is based on the premise that men will do the right thing by their children, that divorcing parents can and should come to an agreement without intervention. It does not account for mental illness, behavioural disorders, addiction and general bad behaviour. It does not account for the reality many women face when dealing with an ex-partner, a system that seemingly fights against you at every step.

I am one of countless women in Australia who have suffered the effects of financial and emotional abuse. There are no physical signs to alert others. It is difficult to prove. It's even harder to explain. Not many people understand how this abuse works, how it builds over time, to a point where it's futile to stand up for yourself and harder to leave. The foundation is manipulation, subtle and creeping control, and the underlying threat of violence (not acted upon, yet) that you and your children feel and know, but no one else will ever see.

The police will not and cannot help me. I have tried. He has access to guns. *Are they in the house?* No, he moved them to his friend's house. *Well, he doesn't have direct access to guns.* He likes to watch true crime shows every night and it gives my daughter nightmares of getting shot. *He's allowed to watch what he likes; we can't do anything based on this.* He is trying to force us out of the house by not contributing financially to the kids. *That will be very difficult to prove.*

I was married for 20 years when my ex-husband wanted to leave. That was at the end of 2021. It's now 2024 and we still don't have a financial agreement in place. Our divorce is high conflict – I am dealing with someone who has mental health issues as well as a behavioural disorder. According to him I have no value, I am nothing. The business that was built from the first year of our marriage is HIS – HE works hard. Half the house is HIS – HE works hard. He wants 60% of everything. My contribution to the 20 years of marriage is... nothing. The 40% that he allows me is because I have the kids 100% in my care. Otherwise, he would demand everything.

I am a 51-year-old woman, about to turn 52, in a very vulnerable financial position which is only getting worse the more my situation drags on. I don't have a secret, back-up bank account – he accused me of stealing money – my super is low, everything I have earned since meeting him has gone towards the household. Unlike him I have no 'toys' to sell,

nothing of value, no jewellery, handbags or car, nothing. I got caught out; I trusted too much, I acted within my values, not his. He is the sole director of HIS business, registered as a company. My car was leased through HIS business, so he sold it. The boat was in HIS name, he 'sold' it to pay for company tax. It is now registered in his sister's name. I've been told I can do nothing about this no matter how shady it is. The four-wheel-drive was sold, that money paid for his personal tax. He still owns a classic muscle car which I cannot value correctly, the valuation itself costs too much. Something else to sell if he needs money.

He can afford a lawyer; the business pays for it. The only way I can pay for a lawyer is to use a finance company to borrow against my share of the house. There is no other option for me, no bank will lend me that kind of money. He is a bully. I need to look after my children and stand up for myself. His aim is to break me financially so I will give in to his demands. He will probably get away with it if nothing changes.

The Insidious Nature of Financial Abuse

Without going too far back this is how financial abuse operated in my life. While I managed the household finances and helped with bookkeeping for the business, my ex-husband would withhold cash from HIS business. This was HIS money. HE WORKED HARD so he had the right to buy his toys, spend money fixing and running these toys, his hobbies, and so on. Occasionally, if it was 'my turn', some work may be done on the house, or a couple of times it was a holiday. Everything that was spent from our bank accounts had to be accounted for. That impacted me. He had no accountability, to the point where he purchased his classic car from the USA and did not tell me about it until the deal was done. On the other hand, anything that I wanted or needed, even for the children, had to be justified. There was no way I could buy a car without him knowing.

Once he decided he wanted to leave the marriage he moved money from HIS business account. The first time was \$50k, the second time it was \$60k. I was still bookkeeping at the time, paying HIS business invoices and accessing money for household expenses. He left no money to pay bills. He eventually returned enough to pay the business bills, but going forward, my part-time salary had to cover a lot of household expenses. I went from part-time to full-time work, I could not trust him to do the right thing.

The situation became worse a year later. Up till that point we had been living in the house together, sleeping in the same bed. I washed his clothes, cooked the meals and I continued the bookkeeping, all so he would not cut me off financially. At the start of 2023 my lawyer advised me to serve my ex-husband as he was not forthcoming with his financials. He had wasted a year and thousands of my dollars on letter-writing tennis. From that point my car was sold, I was left with my teenage daughter's 23-year-old car to drive. I was forced to sleep on an air-mattress in the office as he refused to move out – he did not want to pay child support. He removed the PO Box key from my keyring without letting me know. I didn't receive my mail until I realised what had happened. I was not allowed to speak to him, communication had to be by text or email.

When it came to household expenses, I paid the bills. Once a bill was paid, I would email him proof, and he would re-imburse me. A couple of times he paid this money into the joint account which he locked, and I could not access. He kept paying the mortgage

manually, as he had locked the offset account too, and kept demanding that I pay my half. This was used against me to ultimately not pay towards any other bills or utilities. The mortgage was paid ahead by seven months at the time, so was not as high priority as other bills. He did offer to me, by text, that if I could not afford the mortgage, I could sign the house over to him and pack my bags and move out. In the end he lived in the house for about 7 months for free. The mortgage payments were to his benefit – he owns half the house.

When it came to the children, he wanted me to send him grocery receipts with purchases for my daughters highlighted. He would not contribute towards our son. I sent emails with cost breakdowns, and I showed bank statements with expenses highlighted. He wanted receipts every time, for everything, and used this as an excuse to not pay.

The Family Court System

If the government is serious about domestic violence and abuse something needs to be done about the family court system. It is under resourced. Simple.

I completed mandatory mediation in June last year. It cost me approximately \$10k for one day. That is money I don't have and needed to borrow. An agreement was reached by the end of a very long, exhausting day where my ex-husband would receive 47% of all assets (we only have the family home and his business). I wanted it to be finished and for him to move out of the house, so I settled for much less than I would have received in court. He reneged on the agreement, it wasn't enough.

The Compliance and Readiness Hearing was scheduled for February. It has now been pushed back until July. My lawyer thinks that an actual court date could be another 12 to 18 months after that.

In the meantime, I have court ordered sole occupancy of the house, to which part of those orders is that I pay for the mortgage, and upkeep and maintenance of the house. It was feasible for a certain amount of time; I did not know that it would take this long to get a court date. There is nothing in that court order about the children's father paying child support. The savings accounts that I established for my children have subsidised our survival. It will be me that replaces that money for them, not him.

My lawyer has also advised that I cannot question how he pays for legal fees, unless his fees are much higher than mine. I don't understand why. He uses money from the business, still part of the marital asset pool, and I am going into huge amounts of debt borrowing against my share of the house. My ex-husband has the advantage of endless financial resources. There is only so much I am allowed to borrow. How is this fair? I'm sure I'm not the only woman who is struggling to get their career on track after raising children. How many men get away with this kind of control because they have the means, and their partners don't.

I'm stuck in no-man's land – I cannot access Legal Aid so must go into debt to defend what is fair.

Child Support

This is the part of my new life that I cannot fathom. How do so many fathers get away with not supporting their children. Quitting their job to live off Centrelink, being paid in cash, not submitting tax returns for many years. Trying to punish the mother but only hurting their kids.

And it's not the fault of people working in this space, it is the rules that have been set up that they must follow. It's the lack of people on the ground - another under resourced agency that impacts women's lives.

Who has come up with the cost of raising a child? When was the last time it was updated? Does geography factor into the calculation? I live in Sydney, one of the most expensive cities in the world. How do they propose I raise my children on their benchmark? And it is not fair to tell a mother that she should move to an area she can afford, to change jobs, to uproot children's lives, when the real cost of raising children is ignored.

I have been told that my ex-husband is not responsible for school fees (this is the only thing he has paid half of, and it's not a private school), private health insurance, my daughter's braces, activities and so on. Everything that was part of my children's lives when he wanted to be married is no longer his responsibility because he wants to get divorced.

Private health insurance is my choice. That it helps with dental fees, physio, optical and my daughter's stay in a mental health hospital (trauma) is my choice.

My other daughter who had braces fitted at the time he wanted to leave. My responsibility, not his. Her high-performance gymnastics fees. My responsibility. She has had to quit after 11 years, she started when she was four.

My son, well he doesn't factor into anything. He is over 18. My responsibility. He is a full-time student, lives with me, works casually and has stepped up to help me pay the bills.

The children's father has objected to child support this whole time. He refused to leave the house because he thought that living under the same roof equalled 50% care. He took the matter all the way to tribunal, which he lost. Then he told Child Support he was only earning a third of his previous income, drastically reducing what he had to pay. It took six months for a new assessment and investigation into his finances. He has his own business and can manipulate what he earns. He has now objected again to the new assessment. It doesn't even matter, he pays what he wants to pay, and the debt of what he owes me continues to grow with no accountability.

In the most recent assessment, the case manager subpoenaed his bank statements, and they found money stockpiled in his business accounts. The business also pays for his car, his phone and his credit card, and he is living with his mother. My salary, which is much less than the actual income from his business, must provide for four adult sized people, a mortgage, the cost of running a very old car, all insurances, utilities and so on. How is this acceptable?

My Bank

I have been lucky that the mortgage was paid ahead by seven months at the time of separation, as this is the only reason I have not needed financial hardship, yet. Not much of that redraw is left now, about one month. It was my part-time salary that was paid directly into the offset account that meant we were this far ahead. My bank suggested I pay as much as I can of the mortgage each week, the rest being sucked out of re-draw. My ex-husband had blocked all joint bank accounts, the redraw was technically my savings. Once the redraw disappears, I don't know how I will manage until we go to court. The full mortgage is more than half my take home pay.

One Consistent Set of Criteria

Over time I have realised the issues I am facing are because of two very different and opposing views of me, two opposing sets of criteria.

On the one hand government agencies see me as:

- Earning decent money,
- With two dependants (my son is over 18),
- Half owner of a house (why I can't get help from Legal Aid).

Where I live, my personal situation and existing lifestyle is not taken into consideration when it comes to the cost of raising children.

Banks see me completely differently:

- High-risk female over 50,
- Not earning enough money,
- With three dependents, (my son is a full-time student and still lives at home),
- Only half owner of a house – it's not my asset as it isn't only in my name.

They do look at my personal situation, the current cost of living and the real cost of raising children. The chance of me getting a home loan on my own is bleak.

What Can and Will Help Me

- Government agencies and banks to use the same criteria to assess me financially. It needs to be a level playing field all round, or women like me, will fall between the cracks. I am trying to stay out of the system, support myself and my children, but it seems that the only way I will get support and help is to become part of the system. Focus on prevention would benefit a lot more women.

- Access to low interest loans if Legal Aid cannot be expanded to help more women. Students get help for their education; women need help for a fair outcome in divorce. I should not have to go to a finance company with high interest and charges, and ruin myself financially, to have this protection.
- A court system that works faster. Family court is taking too long; not every divorce can be negotiated in mediation, and it should not always be forced in that direction. Specialist skills are needed to recognise abuse, and all the other issues that would make mediation untenable. If a process with so many steps is necessary, then have the resources so it moves faster.
- Child Support and Centrelink are understaffed; there are not enough staff to help, process and deal with the number of calls and cases that need attention. Six months to wait for a new assessment because your ex-husband called to report he has a sore back and is earning less, is not acceptable. That affects real people and enables bad behaviour.
- Holding bad behaviour accountable. So many men get away with doing the wrong thing and there are no consequences. Nothing. If agencies such as Child Support don't have the power to enforce what is fair and expected, then it is time to give them the power. It is also time to re-think what fair is, not only from a father's perspective, but a mother's perspective too.
- From my encounters with the police, a lot of training will be required so financial (and emotional) abuse is understood. They cannot help anyone if they do not take it seriously, no matter what new laws are introduced. Just because a husband has not been physically violent does not mean the fear is not there, or the potential of it in the future. Anyone who has a need to control and have power over another person, always follows the same path at some point.