



Australian Government



TAX
PRACTITIONERS
BOARD

Unmasking financial abuse and how you can help

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Welcome

'In the spirit of reconciliation, we respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their cultures, and Elders past, present and emerging.'

Access the presentation slides: tpb.gov.au/webinar-hub

What we will cover today

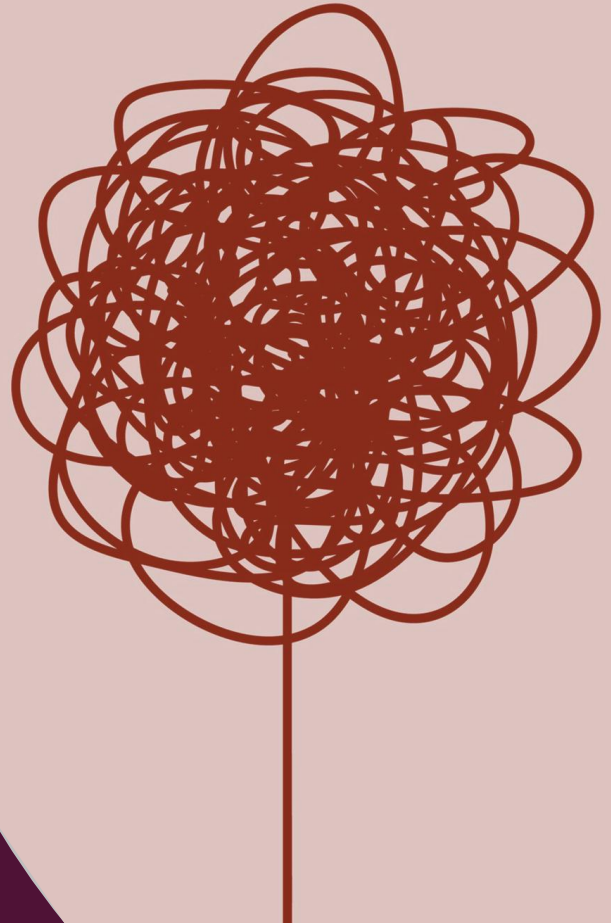
- ✓ Overview of financial abuse report
- ✓ Key statistics, findings and recommendations
- ✓ How you can spot financial abuse
- ✓ What should you do if they see signs of financial abuse
- ✓ What's the TPB doing?
- ✓ Panel discussion



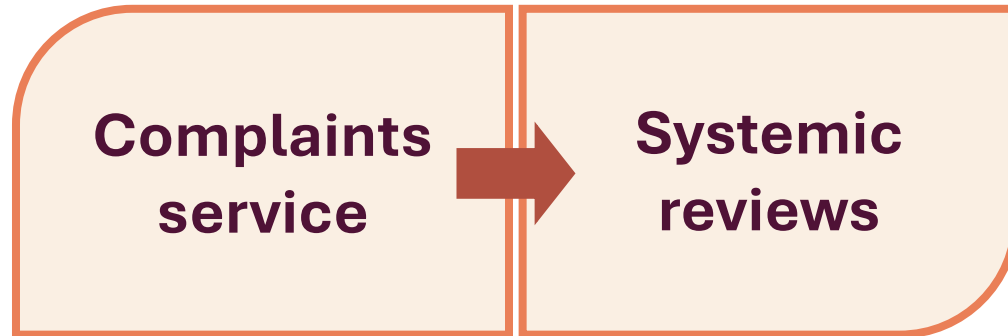
Unmasking financial abuse

July 2025

What we do



The purpose of the Tax Ombudsman is to improve the fairness and integrity of tax and superannuation administration in Australia.



Good public administration

Principles of good tax administration

Ease of access

Consistency (& prescribed discretion)

Getting it right

Clarity of communication

Certainty

Putting it right / accountability

Humanity, empathy & respect

Simplicity & low cost of compliance

Transparency

ECONOMIC ABUSE BY AN INTIMATE PARTNER IN AUSTRALIA

Why we did this review

Financial abuse – some key facts

- Can affect anyone – regardless of gender, age, or background
- A longstanding issue, but only recently gaining public and policy attention
- Can occur in many forms, including through the tax system
- Victim-survivors often don't realise it's happening until it's too late

Efforts to address it

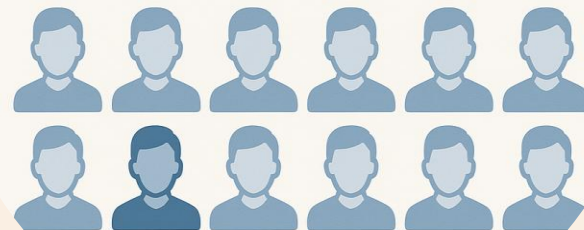
- Commonwealth Ombudsman's review of financial abuse in child support
- Parliamentary inquiry into the financial services and abuse
- National Plan to End Violence against Women and Children 2022-32
- Research by community organisations and academics

More needs to be done to understand financial abuse in the tax system

- We also wanted to contribute our views and offer timely & practical recommendations to the ATO as it was developing its Vulnerability Capability



1 IN 6 WOMEN
(about 1.6 million)



1 IN 13 MEN
(about 745,000)

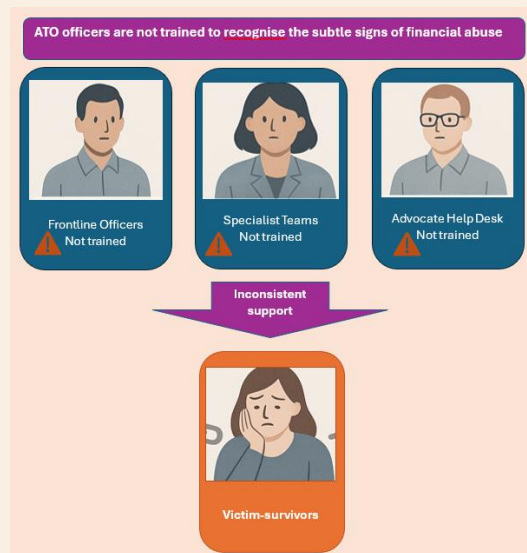
Challenges in defining financial abuse

- No consistent definition
- Generally, involves a pattern of controlling, exploitative or disruptive behaviours
- Aimed at limiting another person's financial independence
- Examples in the tax system:
 - Unknown or coerced directorships
 - Falsified income tax returns or amendments
 - Inappropriate early access to superannuation
 - Unauthorised access to myGov



Gaps in training impact ATO's ability to identify financial abuse in the tax system

- Our review focused on ATO frontline services – they play an important role in identifying potential financial abuse in the tax system
- Financial abuse is hard to identify
- Many people are afraid or ashamed to talk about it
- Victim-survivors often use indirect language to describe their situation
- Frontline officers are not trained to recognise subtle signs of financial abuse
- ATO has specialist teams and an Advocate Help Desk for vulnerable taxpayers. However, these teams also lack training in financial abuse
- As a result, victim survivors don't always receive the support or advice they need



System indicators for financial abuse

- ATO systems use indicators for key information – but not for financial abuse
- Victim-survivors often have to retell traumatic experiences each time they call the ATO
- Introducing system indicators for financial abuse could improve support and reduce re-traumatisation
- The indicators must be secure and discreet, so they are not visible to perpetrators who may access the victim's online tax account
- Improvements need to be informed through consultation with subject matter experts



Secure system
indicators

Financial abuse is domestic violence



Need help?

Family and domestic violence support services:

1800 RESPECT (24-hour national helpline):

1800 737 732

Men's Referral Service: 1300 766 491

Lifeline (24-hour crisis line): 131 114

Relationships Australia: 1300 364 277

Financial counselling and pro bono tax services:

National Debt Helpline: 1800 007 007

Small Business Debt Helpline (national): 1800 413 828

National Tax Clinic Program (for tax clinics in each state)

Financial abuse specialist legal and non-legal support:

Financial Abuse Service NSW at Redfern Legal Centre

(New South Wales): 0481 730 344

How the *Tax Agent Services Act 2009* can assist



- Many items in the Code of Professional Conduct will assist you to identify potential financial abuse and ensure you don't inadvertently facilitate financial abuse.
- Key Code obligations include:
 - Code 9: You must take reasonable care in ascertaining a client's state of affairs.
 - Code 4: You must act lawfully in the best interests of your client.
 - Code 5: You must have in place adequate arrangements for the management of conflicts of interest.
 - Code 6: Unless you have a legal duty to do so, you must not disclose any information relating to a client's affairs to a third party without your client's permission.

Supports and reliefs for victim-survivors

- ATO has limited powers to permanently remove debts caused by financial abuse
- Permanent options include:
 - Objections or court appeals are possible, but often costly and retraumatising
 - Serious hardship relief available, but excludes most business tax debts
 - Director Penalty Notice (DPN) defence is possible if not involved in business management
 - Must respond within 21 days
 - May require costly searches (eg ASIC fees)
 - Defence not available if action is taken after becoming aware of the debt
- Temporary options include payment plans, putting debts on hold, pausing debt recovery actions ...
- Victim-survivors miss out on support and relief because
 - ATO officers may not clearly explain available support or relief options
 - Victim-survivors often struggle to provide evidence of financial abuse

Holding perpetrators to account

- ATO may pursue perpetrators for tax debts (eg via Director Penalty Notices)
 - Only effective if the perpetrator is a director, which is often not the case
- Family Court may transfer tax debts between spouses
 - Requires ATO to be a party and court to find it just and equitable
 - Risk: transferred debts may lose tax debt status, limiting ATO enforcement
 - If ATO joins proceeding, it acts in the interest of the Commonwealth, not the victim-survivor
- Division 100A anti-avoidance, sham arrangements may have application, but
 - Complex and not suitable for broad application

Holding perpetrators to account

- ATO is bound by strict privacy and tax secrecy laws
- Disclosure is only allowed under specific exceptions, such as
 - Preventing a serious threat to life, health, or safety
 - Mental health is included, but stress and anxiety may not meet the threshold
 - Disclosure to an authorised law enforcement agency, a court or tribunal to investigate a serious offence (>12 months in prison)
 - Hard to assess due to varying state laws and complex forms of financial abuse
- Due to uncertainty and lack of guidance, ATO referrals to law enforcement agencies are rare
 - 4 in 2023 and 5 in 2024, all involving clear physical threats

Interaction with child support

- Victim-survivors report that perpetrators underreport income or fail to lodge tax returns
- This reduces or avoids child support obligations, which are based on reported income
- Services Australia shares data with ATO about child support
- ATO runs a Child Support Lodgement Enforcement Program
 - Aims: to get clients to lodge tax returns
 - Can take action in ~ 70% of cases
 - Supported by a tax refund intercept process to recover child support debts
- However, the Program does not verify accuracy of lodged returns – that's handled separately

What the TPB's doing to assist

1. Supporting and providing guidance to tax practitioners.
2. Internal steps to lift the TPB's own capability to recognise the signs of financial abuse.
3. Taking appropriate regulatory action.





Questions

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