

## NCIWR's submission on the draft framework for debt to government.

### 1. Introduction

The National Collective of Independent Women's Refuges (NCIWR) is a non-governmental organisation that had been delivering services to women, children, and whānau affected by family violence in Aotearoa for 50 years. In 2021/22, our network of 42 affiliated refuges supported 52,000 referrals, and 59,000 safe nights in safe houses. Children made up 50% of clients who accessed safehouses across the country.

NCIWR were unable to attend the SSPA and IRD consultation meeting on the draft framework. As such we appreciate the opportunity to submit in writing to Cabinet's Social Wellbeing Committee, especially given the draft framework's focus on "how agencies might collectively take into account an individual's personal circumstances".

The population group that we represent are victims of family violence, specifically women and children, who are the primary groups subjected to and impacted by family violence. In Aotearoa, one in three women who have ever partnered with a man report experiencing family violence.<sup>1</sup> The rates of violence are significantly more pronounced for wāhine Māori<sup>2</sup> (as outlined further in this submission).

For many women (especially mothers), state debt and financial hardship are both consequences of family violence and a debilitating barrier to future safety prospects. As is underlined throughout this submission, family violence frequently involves some form of economic abuse, and financial stability is inextricably linked to risk or safety from family violence. Economic abuse (sometimes called financial abuse) is one of the most common means through which perpetrators of intimate partner violence assume control and exercise power over their victims.<sup>3</sup> The omission of family violence, and of economic abuse specifically, from the draft framework is concerning and we urge the committee to urgently address this oversight.

### 2. Overview of submission

The submission begins with defining economic abuse and its relationship to coercive control and giving an indication of the prevalence and scale of economic abuse in the lives of family violence victims. It then explains why economic abuse perpetrated as part of family violence should be considered as a standalone issue (and grounds for exemption and/or additional support) in relation to hardship.

Next, it provides a case study that highlights how one IRD debtor experienced first economic abuse and then organisational collusion with her perpetrator, which reinforced her hardship. The submission then responds to each section of the draft framework and the consultation questions and relates these to victims of family violence, and identifies the importance of proposed changes using an IRD response

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<sup>1</sup> Fanslow, J. L., & Robinson, E. (2011). Sticks, Stones, or Words? Counting the prevalence of different types of intimate partner violence reported by New Zealand women. *Journal of Aggression, Maltreatment & Trauma*, 20(7), 741–759.  
<https://doi.org/10.1080/10926771.2011.608221>

<sup>2</sup> Family Violence Death Review Committee. (2017). *Fifth Report Data: January 2009 to December 2015*. Wellington: Family Violence Death Review Committee

<sup>3</sup> Milne, S., Maury, S., Gulliver, P., & Eccleton, N. (2018). *Economic abuse in New Zealand: towards an understanding and response*. Good Shepherd: Australia, New Zealand.

to an OIA request naming the present lack of any family violence policy. It then concludes with a list of recommendations relating to the overall draft framework.

### 3. NCIWR's position

NCIWR is a central part of New Zealand's national strategy to eliminate family violence. We are the only national specialist service for family violence victims, contribute to the advancement of research, knowledge, and practice in the family violence field, and give expert input into the development and design of policy and legislation to equip organisations to fulfil their unique roles in responding to and combating family violence.

Every organisation has a vital role in eliminating family violence in all of its forms. Our overarching response to the draft framework is that this role in ending family violence needs to be embedded into the framework, since family violence is a financial issue, a hardship issue, and a debt issue, and opportunities to combat violence are not maximised within the current draft.

### 4. Defining economic abuse

Economic abuse is a pervasive issue in Aotearoa, yet its manifestations and impacts are not well understood, and largely unaddressed.<sup>4</sup> Economic abuse is classified as a subtype of family violence under *The Family Violence Act 2018*. It is rarely a standalone strategy of violence, but rather is one manifestation of a family violence perpetrator's broader pattern of coercive and controlling behaviour.

Analyses of family violence homicides show coercive control is one of the principal predictors of lethality. Examples of coercive control include a perpetrator controlling, forcing, or manipulating a victim's access to money or finances, the services they can access, and their access to work or study. Perpetrators often use third parties, systems, and services (such as welfare agencies) to control their victims,<sup>5</sup> such as by forestalling any financial or practical prospects for them outside of the relationship with that perpetrator.

Family violence is almost always predicated on the perpetrator's use of power to control and subordinate. This creates a power imbalance within relationships, that can lead to coerced financial decision-making.<sup>6</sup> When a perpetrator uses violence against their victim, and commands authority over that victim's household, the victim has few viable ways to prevent the perpetrator from misusing their financial resources.<sup>7</sup> Typically, once the perpetrator has forcibly assumed control over day-to-day household functioning, including the victim's finances, they exert this control in ways that reinforce women's entrapment in the family violence setting.<sup>8</sup>

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<sup>4</sup> Milne, S., Maury, S., Gulliver, P., & Eccleton, N. (2018). Economic abuse in New Zealand: towards an understanding and response. Good Shepherd: Australia, New Zealand.

<sup>5</sup> Family Safety Victoria. (2019). *Evaluation of perpetrator interventions final report*. <https://www.vic.gov.au/evaluation-perpetrator-interventions-final-report/appendix-indicator-framework>

<sup>6</sup> Milne, S., Maury, S., Gulliver, P., & Eccleton, N. (2018). Economic abuse in New Zealand: towards an understanding and response. Good Shepherd: Australia, New Zealand.

<sup>7</sup> Montesanti, S. R., & Thurston, W. E. (2015). Mapping the role of structural and interpersonal violence in the lives of women: implications for public health interventions and policy. *BMC Women's Health*, 15, 100.

<sup>8</sup> Jury, A., Thorburn, N., & Weatherall, R. (2017). "What's his is his and what's mine is his": Financial power and the economic abuse of women in Aotearoa. *Aotearoa New Zealand Social Work*, 29(2), 69-82.

## 5. Economic abuse research and data

In 2017, Women's Refuge carried out research into economic abuse in the context of family violence, using the experiences of 445 participants who had been subjected to economic abuse by a partner. The study highlighted themes in perpetrators' use of victims' income, benefits, assets, and employment as weapons to advance their systematic violence over those victims.<sup>9</sup> Themes included:

- Binding victims to the relationship by forcing them to take out loans or incur debt;
- Forcing victims to be accountable for fraudulent behaviour that could be reported if they attempted to separate;
- Forcibly taking victims' money;
- Engineering a division of financial duties to create inequitable spending power for themselves while positioning household bills, rent, and financial accountability with victims; and
- Sabotaging victims' employment or employment prospects.

These research findings are corroborated by NCIWR's 2023 client data on economic abuse. In an effort to understand how abuse played out in the lives of our clients, Women's Refuge recently implemented a new and mandatory risk assessment, completed with all clients at the beginning of their engagement. It includes the range of (often invisible) risks to the viability of women's, and their children's, lives, and futures, including economic abuse.

The new risk assessment has now been conducted with over 500 Refuge clients. The 'First 500' showcases how economic abuse features prominently in many women's experiences of family violence.

<b>Risk assessment question</b>	<b>Percentage who answered 'Yes'</b>
Have they* forced or pressured you to take out debt or get money in ways you weren't comfortable with?	39.37%
Have they* ever threatened to tell people about your income/benefits to make you do what they want?	19.2%
Have they* excluded you from decisions about shared or household money?	52.2%
Have they* stopped you from having your own money?	45.0%

\* Primary perpetrator

This coercive control also restricts how victims can engage with any services,<sup>10</sup> limiting the extent to which the destructive impacts of economic abuse can be addressed through specialist support. The damage to a victim's reputation and credibility as a result of economic abuse is long-lasting; it impacts multiple facets of their lives, increases the stigmatisation they experience, restricts their freedom and

<sup>9</sup> Jury, A., Thorburn, N., & Weatherall, R. (2017). Women's experiences of economic abuse in Aotearoa New Zealand. NCIWR: New Zealand.

<sup>10</sup> Herbert, R. and D. Mackenzie (2014) *The Way Forward: an integrated system for intimate partner violence and child abuse and neglect in New Zealand*, Wellington: The Impact Collective, [http://www.theimpactcollective.co.nz/thewayforward\\_210714.pdf](http://www.theimpactcollective.co.nz/thewayforward_210714.pdf)

their ability to participate normally in everyday life, and reinforces financial hardship, often precluding their capacity to fully recover or to provide for their children.<sup>11</sup>

Research participants in the 2017 research explained the ongoing costs of economic abuse – long after their relationships with perpetrators had ended. The below quotes highlight how the perception of ‘poor financial decision making’ and ‘poor financial behaviour’ are (stigmatising) myths that perpetuate cycles of financial hardship for victims of violence:

*“It changed my life dramatically. From work, credit history, tenancy... Before I had a perfect record no debt, after I had no job, nowhere to live and nearly 20,000 in debt!” - Victim*

*“The impact of financial abuse is massive... There is little legal comeback and scant protection. Legal action is costly and takes months. If you do it yourself it’s time consuming and while you are struggling to retrain, work and look after the kids it’s difficult to manage... Financial abuse is ongoing, insidious and destroys your life. Physical abuse is horrendous, but you can remove yourself and get a degree of protection.” - Victim*

The implied ‘fault’ is typically perceived to sit with the victim – as do the consequences and expectations for repayment. Yet they have little to no control over the choices of their perpetrators. Economic abuse has a cumulative impact on victims’ financial, personal, social, and material resources, and these penalties extend beyond the relationship itself and are perpetually reinforcing of the entrapment in abusive relationships. Understanding victims’ experiences of economic abuse, and its impacts over time is therefore pivotal to understanding their contexts of hardship.<sup>12</sup>

Applying these research and practice insights relating to economic abuse to the draft framework gives the context to why it is so imperative that the framework itself and organisational policies and processes that enact it are all family violence-informed – without explicit pathways and redress for victims, the ‘neutral’ stance of agencies inadvertently collude with perpetrators’ efforts to keep victims immobilised and disadvantaged through financial means.

## 6. Family violence as a standalone issue of hardship

As family violence specialists, NCIWR firmly believes that economic abuse in the context of family violence needs to be prioritised as a standalone issue in relation to debt and the assessment of hardship. It is encouraging to see the draft framework’s focus on a fair and consistent approach to hardship, and the open discussion about treating particular forms of debt differently.

We understand that serious hardship can arise from numerous and often intersecting causes. We acknowledge that some people may feel concerned that singling out family violence creates precedent to individualise assessment for other contributing factors. However, government has frequently reiterated the need for ‘cross-sector’ and ‘whole-of-government’ approaches to ending family violence – and the efficacy of these approaches is undermined when some of the most basic tenets of safety and recovery (i.e. alleviation of economic hardship) are made inaccessible by unresponsive policy. The

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<sup>11</sup> Jury, A., Thorburn, N., & Weatherall, R. (2017). Women’s experiences of economic abuse in Aotearoa New Zealand. NCIWR: New Zealand.

<sup>12</sup> Steinmann, K. and Jones, S., *Ohio Intimate Partner Violence Collaborative: Final Evaluation Report of the Safe and Together Training Program*, Columbus, National Center for Adoption Law and Policy, 2014.

ethical imperative to combat family violence through the implementation of family violence-informed policies and processes differs significantly from organisational responsibility for alleviating hardship; for instance:

- No other cause of hardship jeopardises an individual's immediate and ongoing safety (including by risking both their lives and the viability of their lives) in the way that the perpetration of family violence does;
- Economic abuse and the use of controlling behaviours is strongly linked to IPV homicide, physical violence, sexual violence, trauma, and other injury, in addition to the unseen but immense social and material consequences;<sup>13</sup>
- Family violence fosters a multiplicity of hardships for children and is a core driver of child poverty. The 'one in three' women who are victimised by FV are almost always the primary caregivers of children. They are almost always those children's main source of safety and protection<sup>14</sup>, and are almost always the ones providing the day-to-day care and provision for children, even when severely financially restricted;<sup>15</sup>
- Economic abuse is often subtle, insidious, and invisible to anyone but the victim. It is not reported frequently, and not often defined as such by people who do not have access to services that can identify and name those behaviours;<sup>16</sup> and
- Economic abuse reinforces power imbalance between the victim and perpetrator that gives rise to coerced financial decision-making. As such, victims' presumed 'decisions' or 'choices' that lead to debt or financial hardship need to be viewed with a family violence-informed analysis; in the context of family violence, such choices are rarely made freely and are almost always coerced by the person with greater power.

It is already evidenced that "debt to government is a stress factor affecting many families and whānau". Family violence is a compounding factor (and driver) for both stress and hardship, and both are heightened when debt to government arises through force or coercion by someone using violence. We therefore recommend that the definition of hardship include hardship caused by economic abuse in the context of family violence.

## 7. Case study

NCIWR were recently made aware of a case of economic abuse where our client (Sarah<sup>17</sup>) had over \$25,000 of debt outstanding to IRD. Her situation was as follows:

Sarah's relationship was characterised by extreme physical and sexual violence perpetrated by her partner. The Police were aware of his history of violence against Sarah, as Sarah had sought legal protection multiple times.

As is the case with most instances of economic abuse, Sarah's partner withheld access to the shared household income. She was forced to beg for hours to be given enough money to buy food

<sup>13</sup> Family Safety Victoria. (2019). *Evaluation of perpetrator interventions final report*. <https://www.vic.gov.au/evaluation-perpetrator-interventions-final-report/appendix-indicator-framework>

<sup>14</sup> Wilson, D. L., Smith, R., Tolmie, J., & De Haan, I. (2015). Becoming better helpers: Rethinking language to move beyond simplistic responses to women experiencing intimate partner violence. *Policy Quarterly*, 11(1), 25–31. <https://doi.org/10.26686/pq.v11i1.4529>

<sup>15</sup> Mandel, D. (2009). Batters and the lives of their children. In E, Stark, & E, Buzawa. (Eds.), *Violence against women in families and relationships* (pp 67-93). ABC-CLIO.

<sup>16</sup> Family Violence Death Review Committee. (2017). *Fifth Report Data: January 2009 to December 2015*. Wellington: Family Violence Death Review Committee

<sup>17</sup> Pseudonym used.

for her children, while he enjoyed the disposable income for himself. He prevented her from disclosing their relationship status to Work and Income. He also forced her to fraudulently collect Family Tax Credits and other benefits and expressly prohibited her from cancelling these. He continually threatened to report her if she did not do exactly what he wanted at all times.

Eventually, with help, Sarah was able to separate from her violent partner. A Woman's Refuge advocate worked with Sarah for six months on the economic abuse component of her perpetrator's violence. She knew that Sarah did not make the choice to receive more than she was entitled to. It was clear that Sarah did not have control over the money, spend the money herself, or benefit in any way from the accrual of the money. It was equally clear that Sarah made the 'choice' to comply with her perpetrator out of fear for her safety and the safety of her children.

Unfortunately for Sarah, because there was no simple pathway for her debt to be recognised as economic abuse, she was told multiple times that she would have to pay this debt. Her employer was then notified of her large debt, which compounded the issue for Sarah, and revictimised her. She felt she was losing everything, felt ashamed and out of place at work, and lost even more control over the practical aspects of her life. She was then forced to out herself as a victim of family violence to explain the debt, and had her working integrity and reputation questioned.

After trying for six months to clear Sarah's name from this debt, including by providing evidence of Sarah's abuse, and communicating back and forth with case managers, her advocate reached out to us to write an expert report for the IRD setting out the evidence, nature, and consequences of the family violence. It was only then that Sarah received an exemption from repayment obligations or punitive follow up action.

As this case study highlights,

- Debt accrued through economic abuse is not a voluntary 'choice', it is accrued as a consequence or force or coercion by perpetrators of violence;
- Economic abuse leads to significant safety concerns for victims;
- Debt can become a weapon of coercion, used by perpetrators to exploit and harm victims;
- Family violence is a crime, as stated in the Family Violence Act 2018. Victims of this criminal offending must not be held liable for debt incurred as part of this offending;
- Agencies are ethically obligated to address internal frameworks that reinforce family violence victimisation, and should uphold the government's commitment to creating safety for victims;
- Agencies must make explicit their understanding of family violence as a pattern of coercion that often weaponises victims' and their financial contexts;
- Agency policies and practices must not discriminate against victims;
- Agency policies and practices must support a victim's return to financial viability;
- The specialist sector contributes their expertise to support family violence-informed policies and practices, and this can be instrumentalised to ensure the safety of draft frameworks and policy;
- Well-intentioned policy and practice can ultimately cause harm when there is no consultation with the specialist sector; and
- It is essential that all agencies and services take the opportunity to effectively contribute to the solution toward the elimination of family violence.

## 8. Response to the draft framework

1. The guiding principles are appropriate and can accommodate a family violence lens.
2. For the *'purpose-centred approach'*, our recommendations involve understanding economic abuse in the context of family violence in order to support a shift from 'client as problem', or 'poor behaviour/poor decision-making as problem' toward 'agency as solution'.
3. For the *'person-centred approach'*, our recommendations involve understanding economic abuse in the context of family violence in order to proactively screen for economic abuse, and to make economic abuse explicit in the assessment of hardship.
4. Our key recommendation is the collaboration with the specialist sector to apply a family violence informed lens to all policy and practice surrounding debt to government, in order to understand and identify economic abuse, and make safety informed decisions for debtors.

### 8.1 The types of debt owed to government

The categories of *'types of debts owed to government'* that may apply to the victims of economic abuse include:

- 3.1 b) Overpayments of Government Support
- 3.1 g) Intentional non-compliance.

In family violence relationships, one person uses fear and intimidation to control or exercise power over the other. Economic abuse is an issue whereby the behaviours and choices of a person external to the debtor may determine the debt. The emphasis within these categories of debt is on individual behaviour and currently does not account for the behaviour of an abusive person. Having awareness of the influence of economic abuse on debt and hardship means recognising that categories a) and g) may not be individual problems with an individually focused solution. These categories fail to allow for any interpretation of debt that is not a character, behavioural, or decision-making fault of the individual.

We recommend the provision for family violence be included in the category definitions, or the creation of a new category which encompasses debt that is coerced (including in ways that are invisible or difficult to quantify) by someone external.

### 8.2 Recommended arrangements for creating and managing debt

The four categories for creating and managing debt cover appropriate policy factors. A fifth policy factor to consider is 'risk': it relates to the risk to an individual versus the risk to an agency. Risk appears to be a central theme in the *'recommended treatments'* but is not a standalone policy. As above, the risk to an individual client experiencing economic abuse is often critical and immediate. Risk to an agency includes both the costs to collect or write-off debt, and the risk of colluding with perpetrators to create financial precarity for victims.

The framing of the supporting questions (3.2) for each category appears to start from the assumption that there is or has been poor behaviour or poor decision-making. We recommend the inclusion of questions that cover agency preparation to consider all forms of hardship. These may sit alongside the

current 'What is the appropriate rate, repayment, extension, suspension etc?', and 'How ready are we to write off the debt?'

As an example, consider 'How have we satisfied our investigation into all client context?', 'Have we considered all forms of client risk/safety?', 'How have we determined/measured the needs of the client in their entirety?', 'How is all hardship considered in the decision to write off debt?', 'How are we supporting clients toward financially viable futures?', and 'Have we considered the long-lasting impact of economic abuse on victims?'

These questions support a shift from 'client as problem', or 'poor behaviour/poor decision-making as problem' toward 'agency as solution'. This minimises the risk that agencies may unintentionally collude with perpetrators to initiate, maintain, or reinforce a victim's situation of hardship.

### 8.3 Recommended treatment for overpayments of government support

#### 8.3.a) *Ideal treatment of debt arising from Overpayments of Government Support*

We appreciate the framing of 3.7:

*"This type of debt is unintended. It typically results from inaccurate or late information about eligibility or assessment, or delays in processing this information (this is different from instances of intentional non-compliance). Many recipients will have limited ability to make repayments at the time the debt arises or in the future."*

We appreciate that family violence (and economic abuse specifically) could be interpreted within this scope as it is, by its nature, non-voluntary. However, unless this is specifically included, or unless agencies have family violence informed policies and practices, economic abuse will remain hidden, and clients' safety will remain compromised – because family violence is not included as context to victims' experiences unless policy directs that it is considered.

Similar myths of origin as referenced above are discernible in section 3.8:

*"A lower threshold for write-off may be appropriate, especially where repayment may undermine income adequacy. This needs to be balanced against the behavioural incentives to provide timely and accurate information to the government. If the overpayment is due to administrative error, write-off should be the default response."*

Again, consideration needs to be given to the assumption of 'poor behaviour/poor decision-making as problem'. Policies need to reflect an understanding that power dynamics within violent relationships do not allow for 'timely and accurate information to the government'. Often this information cannot be given freely, or without violent repercussions.

#### 8.3.b) *Ideal treatment of debt arising from intentional non-compliance 3.22*

Applying the concept of 'intentional non-compliance' to victims of family violence and economic abuse is unsafe. Many of the previously explained key messages apply to this category:

- Intention, behaviour, and decision-making of victims of economic abuse are all externally influenced; for instance, by fear and the need to protect themselves and their children from financial hardship, reputation sabotage, injury, or death.



- For victims of economic abuse *'intentional non-compliance'* is not an individually driven behaviour.

We invite the committee to consider the following questions.

1. How does the assumption that non-compliance is driven only by *"deceitful exploitation of systems"* and therefore *"punishable"*, and only written off *"in cases where collection would be impossible (for example the debtor is deceased"* (3.22, pp13) further stigmatise debtors who are victims of abuse and reinforce their hardship?
2. Are there rigorous agency policies and procedures to assess for context, abuse, and hardship?
3. If so, is this done routinely, confidently, and safely?

#### 8.4 Person-centred approach

A *'person-centred approach'* can certainly support the groups that NCIWR represent. The intent behind 4.4 c): *"Make decisions about debt relief in the context of a comprehensive hardship assessment"* is promising.

However, for the *'person-centred'* approach to be realised to its full potential, the onus needs to be removed from the debtor and sit with the agency instead. For example, each question posed on page 18, (we understand these questions are only to guide feedback) can be reframed slightly: *'Is it easy for debtors to understand what they owe, and to who?'* can become: *'How have we supported debtors to understand what they owe, and to who?'* Small changes in the intention of the draft framework can help support all debtors, especially those facing economic abuse and multiplicity of hardship. Victims already carry an untenable workload in maintaining whatever safety is possible for them. Initiatives only help if they remove this burden rather than add to it.

We suggest the inclusion of a further recommendation to agencies. For example, *'implement policy that removes barriers and proactively supports a client's return to financial viability'*: this can be applied to victims of economic abuse, and more generally as well.

Again, for the purposes of supporting victims of economic abuse, the questions on page 18 *'How easy is it for debtors to negotiate for hardship relief?'* can be reframed to *'How are agencies being proactive so that debtors do not have to negotiate for hardship relief themselves?'* It is through this reframing that the person-centred approach can make sense of a debtor's context.

For example, often victims of violence are so enmeshed in the cycle of violence, and surviving relentless abuse, that they do not have the capacity to negotiate themselves, or with reference to our case study above (see section 7), are still unable to make headway in the negotiation process, even with the support of an advocate.

#### 8.4 a) Assessing Hardship

We recommend the inclusion of a family violence-informed understanding into the assessment of hardship. The draft framework specifically highlights that *"hardship operates on a continuum of severity, with more serious hardship being of greater concern"*. As stated above, family violence is the only cause of hardship that jeopardises clients' lives because of the behaviours and choices of another person. It therefore needs explicit acknowledgement as a category and cause of hardship.

In addition, the hardship assessment should seek an understanding of who controls the household finances in situations of economic abuse, as the understanding of economic abuse needs to precede the inclusive analysis of it to an individual debtor's context. We therefore recommend proactive, safe, family violence screening to be included in hardship assessment. This should be developed and implemented in collaboration with the specialist family violence sector, and must be fit for purpose for women and children who experience abuse, disabled people abused by those who care for them, immigrant victims of abuse, and victims of elder abuse.

Every agency must use the power they have to treat economic abuse in the context of family violence as a financial issue, a hardship issue, and a debt issue.

#### *8.4 b) Taking hardship into account in decision-making*

In the case study above, it took over six months for a victim of economic abuse to be heard, and for her evidence of economic abuse to be understood. She was required to disclose extremely detailed personal information about physical and sexual violence which was then stored on her file for multiple people to see.

If evidence of economic abuse is to be provided there needs to be a set evidential threshold. *The Domestic Violence Victims' Protection Act 2018* (DVVPA) sets out an evidence threshold for family violence: evidence can be provided by the victim, or in short form by a family violence specialist organisation, amongst other forms.<sup>18</sup> This threshold reduces the risk of retraumatising victims or putting their safety at further risk. We recommend utilising a similar threshold. Similarly, once evidence is provided, it needs to be given priority to avoid delays that cause additional risk to victims.

#### *8.4 c) Supporting debtors in hardship*

Given the prevalence of family violence in Aotearoa, it is a safe assumption that many debtors are victims of family violence. This influences how safe they are to receive communication, especially digitally. Research highlights that victims often have their phones and other digital devices monitored by a perpetrator.<sup>19</sup> It is important to consider how this may impact the debtor and their perceived behaviour and decision-making. The specialist sector provides training and can support agencies and staff to create safe policies and practices for communicating with victims.<sup>20</sup>

Simple screening questions and prompts can traverse agency engagement with a client/debtor, such as:

- 'What is your preferred way to communicate?'
- 'We want to know which form of communication is safest and most comfortable for everyone we work with?'
- 'Sometimes people tell us that there is someone in their home who is making them feel unsafe, does this apply to you?'

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<sup>18</sup> Employment New Zealand. (2023). Proof of family violence. <https://www.employment.govt.nz/leave-and-holidays/family-violence-leave/proof-family-violence/>

<sup>19</sup> Thorburn, N., & Jury, A. (2019). Relentless not romantic: intimate partner stalking Aotearoa New Zealand. <https://womensrefuge.org.nz/wp-content/uploads/2019/11/Intimate-Partner-Stalking-.pdf>

<sup>20</sup> DV Free. (2023). *Guidelines for a DV Free workplace*. <http://www.dvfree.org.nz>

- 'Sometimes people tell us that there is someone in their home who is trying to control what they do or say, does this apply to you?'
- 'Sometimes people tell us that there is someone who has access to their phone who is trying to control what they do or say, does this apply to you?'

### 8.5 Impact of the framework on affected population groups

As stated above, family violence impacts one in three women. Wāhine Māori, however, are more than twice as likely to be a victim of a violent interpersonal offence by an intimate partner<sup>21</sup>, and are three times as likely to be killed by a partner<sup>22</sup>. Wāhine Māori are also almost twice as likely to experience one or more coercive and controlling behaviours from a current partner<sup>23</sup>. 41% of referrals to Women's Refuge were for Māori (women and children), with tamariki Māori comprising 39% of all tamariki<sup>24</sup>. Family violence increases stigmatisation for Māori and systems need to be extra vigilant to not further their vulnerability through unsafe policy and practice.

Specialist input should be sought from the disability sector as disabled people, or 'adults at risk', experience higher reported family violence than non-disabled people. They also face multiple extra systemic barriers to support, and if policy does not consider their specific needs they face exclusion and are not afforded protection by the system.<sup>25</sup>

## 9. Response to Official Information Act request regarding family violence policy

In 2021, we made an OIA request to IRD to understand how IRD were making explicit family violence within their policies and practice. The information received from IRD (as below) states that there is no current policy on family violence:

*"Inland Revenue has no specific policy on family violence. The ground for writing off debt and the remission of interest and penalties is provided for in the Tax Administration Act as "serious hardship". Serious hardship can arise from an open-ended category of causes, which is why there is no specific family violence category. The instruction in the table below however deals specifically with family violence."*

However, the only instruction for practice around family violence was:

*"Procedure for managing client debt/overpayment if family violence is identified or suspected.*

*The procedure for dealing with serious hardship is set out in Standard Practice Statement 18/04.*

<sup>21</sup> Te Puni Kōkiri. (2017). *Understanding family violence: Māori in Aotearoa New Zealand*. <https://www.tpk.govt.nz/en/o-matou-mohiotanga/health/maori-family-violence-infographic>.

<sup>22</sup> Family Violence Death Review Committee. 2017. *Fifth Report Data: January 2009 to December 2015*. Wellington: Family Violence Death Review Committee

<sup>23</sup> Te Puni Kōkiri. (2017). *Understanding family violence: Māori in Aotearoa New Zealand*. <https://www.tpk.govt.nz/en/o-matou-mohiotanga/health/maori-family-violence-infographic>.

<sup>24</sup> NCIWR. (2022). *Annual report*. <https://womensrefuge.org.nz/wp-content/uploads/2022/11/Annual-Report-2022-High-Res-1.pdf>

<sup>25</sup> Fanslow, J. L., Malihi, Z. A., Hashemi, L., Gulliver, P.J., & McIntosh, J D. (2021).

Lifetime Prevalence of Intimate Partner Violence and Disability: Results from a Population-Based Study in New Zealand, *American Journal of Preventive Medicine*, (61)3. <https://doi.org/10.1016/j.amepre.2021.02.022>.

*Take note: We must ensure that taking this action will not result in an extreme (or violent) reaction from the ex-partner. For example, if there was a history of domestic violence in the relationship.”*

There is no family violence informed policy, practice, or any direction to screen for family violence, even though there was acknowledgement that family violence was an issue that debtors face:

*“Inland Revenue’s Families people (who manage both Working for Families and Child Support) understand that our customers come from different backgrounds, and that family violence may very well be part of these”.*

Without a mechanism that builds capacity of services and staff to apply a family violence analysis to a situation of serious hardship, no family violence understanding – or safe response – can be reasonably expected. Our concern was corroborated by the OIA response, which stated: *“There is no specific training for staff communicating with the victims of family violence”,* and *“There are no specific avenues of support provided by IRD for taxpayers experiencing family violence.”*

We then queried whether IRD had any plans to address the gap in workforce capability in terms of a family violence-informed response to taxpayer hardship and noted that the cited values of empathy and rapport-building do not equate to an adequate family violence-informed pathway. IRD replied that it: *“does not consider that there is a gap in workforce capability as regards a family violence-informed response to taxpayer hardship”.*

They then included a list of steps they took when they suspected family violence. None appeared to be likely to be safe or helpful to victims, and IRD acknowledged the fallibility of these, commenting that *“these solutions raise their own issues as they may cause additional tension within an abusive relationship, which is something we are cautious to avoid.”*

Understanding victims’ experiences of economic abuse, and its impacts over time, is pivotal to understanding their contexts of hardship. If there is no process through which to include family violence information, it is not possible to obtain a true picture of hardship. The inadequacy of responses to family violence are further exemplified by the below excerpt of the OIA request.

*“It is hard to identify situations of family violence unless customers advise us of them. Both the Privacy Act 2020 and the Tax Administration Act 1994 control the gathering of information for proper purposes, and common courtesy, limit the extent to which Inland Revenue staff can be pro-active in inquiring into situations of family violence. We cannot, for example, assume that financial hardship arises from family violence. To suggest or inquire into such possibilities may cause offence if it is not the case, and may also exacerbate any violence if, as we are aware is sometimes true, the victim is monitored by the offending partner in her contact with Inland Revenue.”*

The lack of a family violence framework that considers economic abuse and its far reaching, and ongoing impacts is of utmost concern.

There are many examples of family violence policy and practice (including mandatory screening and workforce training to recognise and respond to family violence) being adopted in New Zealand. The health sector in Aotearoa has implemented mandatory screening. Many banks have worked with the

family violence specialist sector to take proactive steps to recognise economic abuse and its impacts in order to protect their clients from financial hardship, ongoing financial instability, and the severe consequences of coercive control. Doing so can support the agency, its staff, and its clients.

For all the reasons set out throughout this submission, we urge, at a minimum, IRD's inclusion of:

- Family violence informed policy to guide practice;
- Safe screening that is informed by family violence specialists;
- An understanding that economic abuse contributes to victims' debt and hardship; and
- Processes to proactively write-off debt for victims of economic abuse when victimisation is evidenced (with the same threshold for evidence as set out in the DVVPA).

## 10. Recommendations

- We recommend building awareness of economic abuse and its impacts, and its links to context, hardship, and debt.
- We recommend building awareness of myths that perpetuate cycles of financial hardship for victims of violence, including what choices, or decisions a victim has, and what behaviours they display.
- We recommend treating economic abuse in the context of family violence as a financial issue, a hardship issue, and a debt issue.
- We recommend collaborating with the specialist sector to apply a family violence-informed lens to all policy and practice surrounding debt to government, in order to understand and identify economic abuse, and make safety informed decisions for debtors.
- We recommend that the definition of hardship include hardship caused by economic abuse in the context of family violence.
- We recommend the inclusion of questions that cover agency preparation to consider all forms of hardship.
- We recommend the inclusion of a family violence-informed understanding into the assessment of hardship.
- We recommend that proactive, safe, family violence screening be included in hardship assessment.
- We recommend purpose-centred and person-centred approaches that shift the onus from client to agency;
- We recommend following other agency leaders to implement family violence-informed cross agency policy (e.g. banks)
- We recommend that the provision for family violence be included in the category definitions 'types of debt owed to government', or the creation of a new category which encompasses debt that is forced by someone external.
- We recommend the inclusion of 'risk' as a policy factor for 'creating and managing debt'.
- We recommend that a mandatorily recognised evidential threshold be established for family violence evidence, along with a policy guiding the expedient processing of it.

In order to properly understand, and hence better respond to, economic abuse, there needs to be greater organisational awareness and community awareness of the issue. There also needs to be an



integrated response that involves government, social service agencies, academia, communities, and businesses.

We are happy to provide any further information, and we thank you for considering our submission.