

The Hon. Jenny Macklin
Minister for Families, Housing, Community Services and Indigenous Affairs
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

11 February 2010

Dear Minister

Re: Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009

I am writing to raise concerns about the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 currently being considered by the Senate Community Affairs Legislation Committee. As the peak body for family violence services for women and children in Victoria, Domestic Violence Victoria (DV Vic) has particular concerns about the provision to roll out compulsory income management for certain income recipient groups, specifically *people assessed by Centrelink social workers as requiring income management due to vulnerability to financial crisis, domestic violence or economic abuse and where Child Protection is involved or concerns have been raised*¹.

This scheme will disproportionately and unfairly target women because the vast majority of people who experience domestic/family violence are women and their children. Many women living with violence face a range of complex issues and barriers to accessing assistance and establishing lives free of violence. DV Vic believes the imposition of income management will exacerbate the difficulties that these women face, and will further the disempowerment experienced by many women living with family violence. Assuming incapacity to manage one's finances victimises and stigmatises women by removing their right to self-determination - an intervention in direct contradiction to the good practice of supporting women to establish independence.

Financial circumstances are a critical factor in women's decisions about whether to leave or stay in violent relationships; many women will choose to remain in violent situations rather than risk homelessness, uprooting their children and living in poverty. We know that economic abuse is a common power and control tactic employed by perpetrators of family violence. Preventing access to money and/or other financial resources; controlling access to employment

¹Macklin J, (25.11.09) *Major welfare reforms to protect children and strengthen families* Press Release, Accessed at: http://www.jennymacklin.fahcsia.gov.au/internet/jennymacklin.nsf/content/welfare_reforms_protect_children_25nov2009.htm [retrieved 11.02.10]

and independent income; refusal of child support payments and; forcing welfare recipients to hand over income support payments are all examples common to patterns of family violence.

The compulsory imposition of income management for those vulnerable to domestic violence ignores evidence on the prevalence of economic abuse in violent relationships and the ways that it affects women and their children. It also inappropriately forces the onus of responsibility onto victims of family violence as opposed to perpetrators. This scheme will act as a further barrier to economic independence, deterring women from reporting family violence and reducing access to resources and services. Subsequently, this risks placing women - and their children - at greater risk of harm.

DV Vic is extremely concerned that the proposals for compulsory income management have been developed without adequate investigation into the inherent risks and without consultation with relevant communities, including the family and domestic violence service sector and women who have experienced family violence.

DV Vic supports calls for alternative investment in programs to build women's financial capacity, provide material aid, education and employment opportunities, counselling services and other programs that develop women's economic wellbeing and safety.

The national roll out of compulsory income management provisions as proposed by the Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009 would be a retrograde step for Australia's welfare system, which removes individual dignity, limits choice and victimises women and children experiencing family violence.

Yours sincerely,



Fiona McCormack
Chief Executive Officer

