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Good Policy

Good Shepherd Youth & Family Service

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Giving credit where it's due: women's financial security

by Dr Rhonda Cumberland, CEO, Good Shepherd Australia New Zealand

International Women's Day turns 100 years old on 8 March 2011. Good Shepherd warmly celebrates this achievement and acknowledges women in this edition of Good Policy. With gender equality at the core of our mission, we share a vision for women in all countries to live free from intergenerational and gender based poverty.

One hundred years ago, the Sisters of the Good Shepherd had been in Australia for nearly fifty years. Since 1863, the sisters' mission had grown from Abbotsford to several Australian states and New Zealand. Women's advocacy and empowerment were not the words spoken or written, but protecting women and girls was at the heart of the sisters' mission and the community's support for Good Shepherd. One hundred years ago Victoria had just passed adult suffrage for white Australia, being one of a few jurisdictions to franchise women.

The articles in *Good Policy* focus on an innovative connection between violence against women, women's poverty and financial literacy. Good Shepherd Youth & Family Service integrated social and financial programs more than 30 years ago. Our microfinance program is as old as any in the world and is the largest in Australia.

The articles in this edition show that in 2011 we are still lacking the government, economic and social machinery to change contemporary causes of gender based economic inequality. We might have much improved services and protective legislation, but family violence financially disadvantages women over their lifetime. The key to attaining wealth in our society is high incomes, home ownership and continuous savings through compulsory superannuation. Women's saving follows a stop-start pattern due to violence (occurring in one third of relationships), child birth, unpaid and low paid work. This structured, institutional and whole of population inequality, is today's challenge.

What needs to change? Violence is preventable so let's renew our commitment to gender supportive attitudes and education, not as a minority cause but as delivering social and economic benefit to the whole population. Let's develop financial services for those who don't use one seamless savings scheme throughout their lifetime. Let's integrate financial services and family violence support for women, turning short term intervention into life-long benefit. Let's provide no interest loans for educating children, for paying rent and utilities, for car repairs and clothes for work, for escaping violence, for foster care and for medical bills. Do we know what 'highest interest-lowest income' credit costs society? Let's increase research to find out.

We support responsible credit, used to prevent lifelong poverty and used for social, economic and individual benefit. We also support credit at no interest or low interest to ensure women can live with autonomy, choice and responsibility. With gender based public policy, customer focused finance and personal responsibility; we could break the other ceiling, not glass, but plastic.

INSIDE

'We are Good Shepherd. Our mission is shaped by our inheritance of the vision, courage and audacity of Saint Mary Euphrasia Pelletier and the Good Shepherd tradition she began. Ours is a vision for promoting a world of justice and peaceful co-existence. Ours is the courage to embrace wholeheartedly innovative and creative ways of enabling people of all cultural, religious and social backgrounds to enjoy the fullness of life, which is the right of every human being. Ours is the inheritance to boldly challenge those structures and beliefs that diminish human dignity. We work to ensure the value of every human being, the communities that enable us all to thrive and the integrity of the environment that guarantees both.'

Staving off poverty: women le

by Lucy Healey
University of Melbourne

The co-existence of poverty and domestic violence has been long known. Women experiencing domestic violence are vulnerable to low paying jobs, inadequate income support and homelessness, even though they have established work histories much the same as those women who have not been abused.[1]

Their capacity to sustain work, should they find it, is often constrained by child care responsibilities, fears for their children's safety, poor health (including violence-induced disabilities) and social isolation as a result of the violence.

Many women who have lived with domestic violence have a disrupted work history. A man's abusive behaviour can deter a woman from work in the first place, or render her unable to work effectively – by depriving her of sleep, for example, or by harassing her while at work – thereby threatening her employability. Protracted legal proceedings, whether civil, criminal or family, can also be disruptive, with women moving in and out of low-paid, insecure, casual or part-time jobs that are, increasingly, the province of working women in Australia.[2]

In 2008–2009, the Good Shepherd Youth & Family Service Mornington Peninsula Domestic Violence team commissioned a report called *Researching the Gaps*[3] into the needs of women who have experienced long-term domestic violence. As part of the project, ten women who had been supported on numerous occasions or for prolonged periods by team staff were interviewed.

Lela and Mandy's experiences (see case examples) of poverty and domestic violence were compounded by other factors, such as Lela's migration from a non-English speaking country and Mandy's disability and mental health problems. Both have lost homes and been obliged to move frequently, and Lela has not been able to use her tertiary qualification. The result is an adverse effect on the women's ability to find economic security and develop their full social potential.

CASE EXAMPLE: LELA

A LINK OF DOMESTIC VIOLENCE WITH POVERTY.

LELA has a tertiary degree that could have admitted her into any number of professional, well-paid jobs had she been able to stay in her country of birth, but she doesn't have such a job and has never had one. Her latest low-income job is making sandwiches. She now lives in public housing, but once owned a house outright. She has moved dozens of times as an adult. She has had multiple miscarriages and lost custody of her living children from two violent marriages. These marriages were arranged for her by her family: one occurred in her country of birth and she was tricked into the other shortly after migrating to Australia, a journey taken to escape the opprobrium of her family for divorcing her first abusive husband. She is in her 40s.

Collectively, the ten interviewees experienced a range of inter-connected, potentially cumulative factors that could deepen the complexity and risks of family violence and poverty: homelessness, serious mental and other health problems, alcohol and illicit drug use, being drawn into criminal networks, unemployment, previous exposure to trauma and violence (including childhood abuse), social isolation, loss of culture, and loss of community and family networks.

By virtue of being single mothers, all of them could be described as the 'working poor' or 'lacking the opportunity, not the ability to work'. They were on some form of income support and had been for years except for one woman who was ineligible and another who eventually regained her previous managerial status, albeit losing income and ownership of her house. Together with women (indeed, people) with disabilities, single mothers are the most financially disadvantaged in Australia.[4]

Not only do domestic violence and welfare support go hand-in-hand, but domestic violence is the most common cause of homelessness for women.[5] In turn, the children of homeless families are more at risk of experiencing disadvantage and poverty over their lifetimes.[6] In Victoria, the data shows a steady rise in the proportion of women with disabilities who are experiencing family violence and who are assisted by the Supported Accommodation and Assistance Program (SAAP) services.[7] This data only relates to some women with disabilities (those with the most severe disabilities) given that the majority of women with disabilities are ineligible for a disability pension.

Australia's current policy and legislative responses to income support, employment and domestic violence add another layer of complexity to the lives of women who are attempting to leave domestic violence and stave off poverty and homelessness.

There were qualms that the industrial relations legislation from 2005 (Work Choices)[8] and the Social Security legislation (Welfare to Work)[9] would have egregious effects on women escaping domestic violence. These fears included that women would be forced off income support and into low-paid, insecure work that is incompatible with child care responsibilities and maintaining safety. Work Choices has been amended. While the legislation has been wound back with the Australian Government 2008 legislation[10], impacts of these changes on women experiencing domestic violence seem, as yet, unclear. The extension of mutual obligation into individual and family life will also require a concomitant strengthening of early interventions, which would include early identification and management of those at risk of family violence.[11]

aving domestic violence

Second, the current family violence service system in Victoria, as elsewhere in Australia, is largely focused on the **crisis** needs of women and children living with domestic violence, and has focused on developing a service system that appropriately integrates the necessary crisis responses. However, the *Researching the Gaps* research highlighted a major gap in policy in the integrated family violence service system – some women are at risk of experiencing ongoing consequences of family violence and thus require longer term support than is currently feasible within the crisis-focused system.

Researching the Gaps recommends a greater range of integrated family violence responses (including group work, outreach by telephone and face-to-face, and specialist counselling) in order to meet the restorative needs of women and their children. It also calls for greater linkage between family violence specific services and community-based centres, such as community and neighbourhood houses. Indeed, it recommends the development of a dedicated women and children's community centre. This suite of service recommendations is about assisting women and their children in restoring trusting relationships, building a new sense of family, and re-building, through community group involvement, social networks that have been damaged or destroyed as a result of the domestic violence. Social re-integration and social inclusion would provide one potential pathway away from income support toward economic participation for women, the flip side of the social inclusion coin.

Social re-integration and social inclusion would provide one potential pathway away from income support toward economic participation for women.

Additionally, employment, training and educational sectors need to develop women's pathways into employment and meaningful work. With growing recognition that domestic violence is a workplace issue, some employers have instituted bold strategies to support employees in living with or escaping domestic violence.[12] This knowledge has yet to be translated into strong links between employment and training services, on the one hand, and the domestic or family violence service system, on the other.

A number of researchers leading the way on these ideas argue for the need to link domestic violence and employment responses as another link in a chain of strategies that might assist women out of poverty and homelessness as a result of domestic violence. This would seem to be an imperative new policy direction in Victoria's family violence reform.

CASE EXAMPLE: MANDY

ANOTHER LINK OF DOMESTIC VIOLENCE WITH POVERTY.

MANDY grew up with violence as her mother moved in and out of a number of relationships, at least one of which was a situation of domestic violence. At the age of 17 years, Mandy left a violent marriage, with a young daughter to support, which led to a number of low-paid jobs and a transient life during which time she became involved in a second violent relationship with a man who attempted to kill her. As a result of a car accident, Mandy also lives with chronic pain, limited mobility, a serious mental health condition and other chronic health problems that prevent her from working. In her early 30s, she now lives on a Disability Support Pension.

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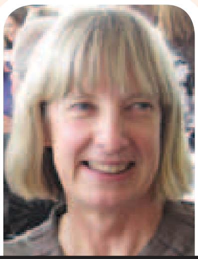
Presentation to the NAB International Women's Day Forum 2010

Financial inclusion of women



by Marilyn Webster
Social Policy Research Unit, Good Shepherd Youth & Family Service

It is particularly fitting that we should be acknowledging International Women's Day and the inclusionary power of microfinance at the time of the visit of Mohammad Yunis, the founder of Grameen Bank to Melbourne. 'A 14-year study by the World Bank of poverty programs in Bangladesh showed that 40 per cent of the entire reduction of poverty was due to microfinance.'[1]

Economic inclusion of women is at the heart of recognising and ensuring the rights of women in society. Economic inclusion could be considered the next wave of the women's movement. The other major waves were achieving the vote at the turn of the last century, achieving statutory wage justice in the 1960s and the liberalisation of social roles in the 1970s and 1980s.

The potential for microfinance to reduce poverty in Australia is huge. It includes microfinance and microenterprise loans and microsavings schemes. Add to this women's capacity to share financial information and skills (financial capability) at a personal and local level and then we have a continuum of opportunities to enhance and support women's economic wellbeing at times of change in their lives.

Microfinance is powerful in establishing economic independence for women. There are many stories that attest to its impact. Yet, a story that is often not told is that of the community workers who work in the microfinance programs. In Australia these community sector workers are overwhelmingly women. International Women's Day, which had its origins in mass movements for labour rights and was first celebrated in 1911, seems an appropriate time to celebrate and acknowledge the work of these women.

The January 2010 Productivity Commission report on the not-for-profit sector showed that the Social and Community Services Sector comprised 221,500 employees.[2] Women make up 86.6 per cent of this workforce.[3]

While there are many structural elements to addressing poverty and ensuring social and economic inclusion, these objectives cannot be achieved without this workforce. Community services are essential to engendering trust in the community, to facilitating access to resources and to building capacity in individuals and communities.[4]

Nevertheless, participation in the community sector comes at some personal cost to employees of that sector. Of the total 221,500 employees in the sector, 151,800 (68.5 per cent) are either part time or casual.[5]

The elements of financial stability for women are universal. One of the main elements is an adequate income. Other elements are the capacity to save to insure against financial crisis and the capacity to borrow and build assets. These are as much a feature of financial stability in developing countries as they are in our own economy.[6]

The part-time nature of work restricts saving and superannuation contributions of women. This is particularly so in the community service sector. There are other factors that place women workers at financial risk. **Casualisation** prevents many women from participating in the benefits that accrue to permanent employees. **Pay rates** in the community services sector also have a significant effect on working conditions and the work-family balance of families reliant on these incomes. Given the high rates of employment of women in the community services sector, its level of pay significantly contributes to the gender gap in pay in Australia. **Limited tenure and contract work** are also features of the community service sector as government and project funding are time limited. Workers often have to leave organisations when programs conclude. Only recently has **long service leave** entitlement in the sector matched that in other industries. Historically, **maternity leave** has been largely unpaid and shorter than in other sectors.

Women's financial wellbeing is significantly impacted by government policy directions. Government policy and resources must back rhetoric around workforce participation and inclusion.

Some initiatives have the potential to improve the long-term wellbeing of women in the community services sector, such as:

- the Australian Government's announcement of paid parental leave (18 weeks on base pay)[i]
- the Queensland Government's funding of significant wage increases in the sector, up to 30 per cent, and the Equal Pay Case mounted by the Australian Services Union[ii]
- the Productivity Commission's recent recommendations in the *Not-for-Profit* Report[7] for full cost funding of government funded programs and training and sector support.
- the Victorian work on the portability of long service leave in the community services sector.

Some initiatives pose a threat to the long-term financial wellbeing of women. The Henry Tax Review[8] recommendation risks the salary packaging arrangements to which some charities are currently entitled. Alternative options including increased government funding are proposed, but these are unlikely to apply to all workers in not-for-profits – only those impacted by Government contracting.

The Victorian TAFE sector now has substantial fees and limited access to concessions.[9] These pose major barriers to women seeking to re-enter the workforce or upgrade their qualifications in community services. Deferral of fees in a HECS-type system is particularly detrimental to women. They accumulate debt at the same level but pay back at a much lower rate because of lower wages and disruption to earning from caring responsibilities.

Finally, the Australian Government's lack of action on the adequacy of social security payments for women is a clear policy threat. Single parents and single women represent the poorest quartile of households. The 2009 Federal Budget[10] saw increases for all pension types except those for sole parent households and unemployed.[iii] Transition to work and economic participation of women is essential but extreme poverty where there is long-term receipt of social security payments is poverty from which there is no recovery. Women are entitled to more support in making that transition to work and are entitled to community support for payment levels that enhance dignity and preserve quality of life. The social security system and the state government concessions system are particularly important for women.

There is a Chinese proverb used by Mao Tse Tung: 'women hold up half the sky'[11]. International Women's Day is a celebration of the importance of women, the struggle for their social and economic wellbeing and the critical necessity of women for a strong inclusive community.

Notes

i In January 2011, Australian working women became eligible for government-funded parental leave. An eligible person will receive taxable PPL payments at the level of the Federal Minimum Wage, currently $543.78 a week, for a maximum period of 18 weeks. In most cases, the person will receive the payment through their employer.

ii In 2009, the Queensland Industrial Relations Commission awarded significant pay increases to community sector workers. The Australian Services Union national equal remuneration case in Fair Work Australia for an Equal Remuneration Order is seeking to extend the Queensland increases to sector workers across the country. Good Shepherd Youth & Family Service has endorsed a Sector Statement to Government for full funding of the increase. See www.acoss.org.au/equalpay/the_campaign_for_funding/

iii Pensioners who receive the Age Pension, Disability Support Pension, Carer's Payment, Veteran's Service Pension, Income Support Supplement, War Widow/er's Pension, Bereavement Allowance, Wife Pension, and Widow B Pension benefited from pension reform. The Government provided an additional:

- $32.49 a week for single pensioners on the full rate of pension
- $10.14 a week for pensioner couples (combined) on the full rate of pension.

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Effective financial educati

by Kathy Landvogt, Social Policy Research Unit, Good Shepherd Youth & Family Service
(This article is based on a paper delivered at the Citi-FE Financial Education Summit Singapore, Dec 2009)

Financial education alone, is not the antidote for financial exclusion. Our research on financial capability of low income women found that financial education has much less impact on financial capability than an adequate income, a financial buffer, and a fair and inclusive financial services industry.[1]

Governments are responsible to those who, through market failures, lack access to a decent life. Corporations, too, have a responsibility to redress some of the negative impacts of their own success. In a credit-driven economy, deregulation has not only expanded the financial services industry,[2] but has expanded the need for knowledge on how this 'money-system' works.

Moreover, the focus of financial education must primarily be on those whose lack of financial information or capacity threatens their basic human rights. These are most likely to be people with low incomes and low wealth. Research shows that 10 to 20 per cent of Australians live in poverty.[3] Some of these people experience persistent disadvantage, trapped by multiple factors such as disability, chronic illness, low education, unemployment and living in disadvantaged neighbourhoods. On a number of measures the most disadvantaged group overall are single mothers [4]. Given the urgent needs of people we work with for adequate support and information, we propose some principles for prioritising and designing financial education resources. Before doing this however, I will briefly examine why low income groups do not score well on 'financial literacy'.

The most disadvantaged people are often blamed for their failure to effectively manage money, but population surveys[5] show that, in general, people in the lowest income group value saving as much as, and are better day-to-day money managers than, those in higher income groups. These same surveys also show lower overall financial literacy occurring in low income groups because these people:

- have lower education levels therefore less understanding of financial documents and information
- cannot access products such as investments and superannuation, so have limited knowledge of them; and
- are more vulnerable to exploitation because they have fewer options and less understanding of consumer rights.

It is not simple to deliver preventative financial education to those who need it most, in fact we speak about 'hard to reach' groups. These are not people with internet access, nor would they necessarily read a brochure, and public education messages do not address their situation.

One way of locating vulnerable individuals for preventative financial education is through services they access at times of life transition. Positive changes such as becoming a parent, commencing study or entering retirement require new financial knowledge. In transitions resulting from negative life events such as marital breakdown, unemployment or illness, support and information is even more important. Two approaches to preventative financial education used by Good Shepherd Youth & Family Service are community education and asset-building.

Community education

In financial matters, people often do not know what questions to ask to improve their knowledge. We need to actively reach and engage people within 'money conversations', in non-threatening ways that build on their knowledge and are genuinely helpful to them. People living on low incomes and without a financial buffer for emergencies are usually already connected to community services, where they receive assistance for specific needs. This provides an ideal opportunity for preventative financial education. For example, on the Mornington Peninsula Good Shepherd Youth & Family Service in partnership with other community organisations has delivered financial education to groups of people with disabilities, unemployed people and young people. This is a community development process that starts with people identifying their needs rather than with us imposing a program on them. Its approach, 'learning by sharing', builds community as well as individual capacity.

Asset-building

Experience is said to be the best teacher but in financial matters this requires access to a range of financial products and services. For those on low incomes this means credit that can be realistically re-paid at no interest or low interest, matched saving schemes that make saving possible, free financial planning (not just financial counselling in a time of crisis), and specific low income insurance products. In all these areas, microfinance programs provide opportunistic engagement: people do not come seeking financial education but they undertake it in order to get access to a microfinance product. For example, assessment for a No Interest Loan (NILS®) includes checking that income is maximised and entitlements received, having budget discussions

on for vulnerable groups

about affordable repayment levels, and identifying how an unexpected expense would be dealt with. Although financial education is not the primary goal of microfinance, it might ultimately be most effectively delivered through this process. Accessing microfinance provides the motivation, real-life relevance, practical learning, and supportive relationship required.

The following elements are crucial in delivering targeted financial education to vulnerable groups.

1. Investment in inclusive fair financial services

Improving access to financial products and services so that more people can 'learn by doing' teaches financial skills and builds a financial buffer. Building assets through microfinance programs is a longer-term response, but one that offers the most efficient and effective financial education overall.

2. Effective financial education system design

Financial education requires multiple strategies, from preventative mass media campaigns through to supporting individuals experiencing financial crises. However, no service system currently exists for locally delivered preventative financial education for vulnerable groups. The following principles serve as a starting point in designing this type of financial education.

Subsidiarity
Responsibility for delivery should be devolved by governments to the level closest to the issue, usually community organisations. This allows services to be adapted to local needs, maximises the informal and community contributions that build civil society, encourages innovation and creativity, and enables people's expertise in their own lives to be shared.

Partnerships
Financial education should be delivered in partnership with local services targeted to meeting the needs of specific vulnerable groups such as single mothers, people with disabilities or unemployed individuals and assisting them to successfully move through transitions. Financial educators can provide the financial expertise, while local services provide the relationship and support for participants.

Strength-based
Standing *with* people and seeing the financial world from their point of view is a prerequisite for effective financial education. Disadvantaged people know the financial system is not designed for them, and feel marginalised by it. Education should be based on participants' strengths, knowledge and rights, for example using adult education principles, Paulo Freire's critical literacy concepts, and an 'income maximisation' approach ensures they are accessing all their entitlements.

Rights-based
Financial education should not be separated from advocating for the removal of financial exclusion and exploitation. Effective advocacy requires creating networks of like-minded organisations to share knowledge, build the evidence and strengthen the voice for change both for individuals and more widely.

3. Prevention through regulation

We should not assume an education model is the best strategy when small but significant changes to the regulatory framework could dramatically increase financial education. We need to both improve individual financial capacity and at the same time to change the unjust government policies and financial markets that increase vulnerability to financial insecurity.

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About *Good Policy*

Good Policy is the newsletter of the Social Policy Research Unit of Good Shepherd Youth & Family Service. We aim to bring the latest news of research and policy developments in areas of importance to our supporters, colleagues, service partners, interested donors and funders, responding to the ongoing interest in the policy voice and research outcomes of Good Shepherd Youth & Family Service. Thank you to all contributors and supporters.

Good Policy is a free newsletter, which generally comes out twice a year. Back copies available or visit our website **www.goodshepvic.org.au**. All feedback is welcome.

Women and challenges to social provision in Australia: income management as a tool to prevent long-term welfare dependency

by Marilyn Webster
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Michael Jones refers to the emerging preoccupation of social policy with what is described as the underclass – '*the long-term dependency of many of the unemployed, single parents, and members of racial minorities are priority groups for action. Many members of these groups are young; long-term dependency is often costly and causes hardship for the groups concerned. There is fear that long-term dependency patterns can be transmitted to dependent children*'. (1996:72)[1]

Compulsory income management as a way to prevent long-term welfare dependency has a female face in Australia and overseas. Women are often described as one of the priority groups for action for preventing long-term welfare dependency. This is often associated with expressed concern about women's capacities to fulfil their household responsibilities including child care and budgeting. In Australia, over 60 per cent of those who are income managed are women.

Compulsory income management in Australia has been applied as part of the Northern Territory Emergency Response (NTER), also known as the Northern Territory intervention. NTER originated under the Howard Government and continued under the Rudd and Gillard governments. Income management works by holding back 50 per cent of certain income support and family payments to ensure the money is spent on priority items such as food, housing, clothing and utilities. These withholding arrangements are imposed on people who are recipients of income support or family payments *and* who also live in certain localities. The legislation allows for future expansion: income management can be imposed upon other recipients of income support categories and/or upon recipients who live in other geographical areas of Australia. Additionally, income support recipients can choose voluntary income management.

There is a history of a push towards compulsory income management. In 2004 a policy paper of the Department of Families and Community Services (as it was then called) examined the push-pull factors operating in moving people, including women from welfare to work and from work to welfare.[2] Compulsion activities were examined in this paper. Compulsory income management is seen as a policy lever, which is 'effective in cutting back numbers on the welfare rolls'[3]. This was a primary objective when Mal Brough introduced compulsory income management in the Northern Territory intervention, but not the only one. In fact, compulsory income management has suffered from a confusion of objectives. Its program logic states three current objectives:

- to promote socially responsible behaviour
- to ensure that priority needs of families are met
- to reduce the amount of cash in communities available for excluded items.[4]

In late 2010, an evaluation of income management in the Northern Territory was released by the Australian Institute of Health and Welfare (AIHW).[5]

This evaluation did not assess the effectiveness of compulsory income management on the 'cutting back [of] numbers on the welfare rolls'. However, some of its findings are:

- improved child wellbeing
- improved community wellbeing, but indication that some of these changes may also be related to other NTER measures
- more individual/family income being spent on priority items, mainly food
- less individual/family income being spent on excluded items, but this was not consistent across all studies, and
- improved money management skills in some families.[6]

On the three objectives mentioned above, the evidence for compulsory income management's effectiveness is questionable. The AIHW study found that 'the overall evidence about the effectiveness of income management was still not strong'.[7]

Does this matter? Compulsory income management has been difficult and costly to administer, implement and evaluate. Leaving these concerns aside, there are still serious concerns about its compulsory nature and about the decision making process for admission to the program. This is beyond whether the program itself can be improved. Rothwell points to the relative political silence over the policy, from both Right and Left'.[8]

Photographer: Allan Milnes for Intervention Rollback Action Group
www.ourcommunity.com.au/marketing/photobank/photo/?00474

The Australian social security system is one of the most targeted systems in the world. It encompasses notions of entitlement to income support balanced by obligations to actively seek work or undertake work programs for those receiving benefits. The system has wide acceptance in the community and generally there are concerns that people actually receive their correct payments, that these payments are adequate and that the system does not stigmatise those who rely on it. While there are many examples of poor payment administration and while some find the system hard to negotiate Australia's social security system largely maintains the dignity of recipients.

Yet income management represents a significant departure for the Australian social security system. The policy focus has moved from the goal of alleviating poverty associated with the post war welfare state to a goal of addressing long-term dependency on income support itself. The context in which these policy changes have occurred can be described as:

- a long-term priority of all governments of expenditure restraint and savings on social outlays partially offset by one-off stimulus expenditure packages to meet macroeconomic goals
- adequacy of payments for those entitled to social security as a second order priority
- a concern with the interaction of wages, taxation and social security policy in promoting engagement with the workforce
- the promotion of 'mutual obligation' rather than 'entitlement' and the adoption of a discourse of economic and social participation as part of mutual obligation
- historic Australia-wide low unemployment rates but with accompanying high levels of regional unemployment and high levels of part-time low paid work, and
- gender biases in the labour market exposing the vulnerability of some groups in the community including young people, migrants, refugees and women exiting domestic violence.

The measures to address long-term welfare dependency may prove to be effective but can such a significant step be justified? Compulsory income management targets certain recipients such as those identified by Michael Jones. Unless these targeted groups can move into well paid employment irrespective of where they live (and the contextual factors indicate this is unlikely) then individuals and families are seriously at risk of further financial hardship. Further, the program makes the broad assumption that categories of people are unable to manage their income or financial decisions, a somewhat unfair assumption when the adequacy of the payments is so marginal. The measures introduce stigma to the social security system and they undermine the notion of entitlement to income support. The provisions result in individuals and families losing control of their income even though they may be able to manage it.

How could the system be improved? A way of recognising and building on individual and family strengths would be to predicate the program on the assumption that families on low incomes can manage their money and that they are in the best position to know where to place their priorities for expenditure. This is well known to Good Shepherd Youth & Family Service through the No Interest Loan Scheme (NILS®) and other microfinance activities. Income management could be accessed voluntarily if the family thought it would assist. Indeed many families already use direct deductions through Centrepay for this purpose. In those circumstances where it could be proved that individuals or families are not using income to benefit the wellbeing of all dependent family members then a judicial order for income management could be applied for by family members or protective services where the welfare of family members is at risk. This would indeed result in compulsory income management but only by judicial rather than administrative decision and in relation to specific family situations rather than broad categories of income security recipient.

References

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2 Department of Families Housing Community Services and Indigenous Affairs (2004) *Policy Research Paper No 18.*, Commonwealth of Australia. www.facs.gov.au/about/publicationsarticles/research/socialpolicy/Documents/prp18/exec.htm

3 Rothwell, Nicholas, 'Misguided reliance on a single solution', *The Weekend Australian*, January 15–16 2011

4 Australian Institute of Health and Welfare, *Occasional Paper No. 34 Evaluation of Income Management in the Northern Territory*, Commonwealth of Australia, 2010, p. 73

5 Australian Institute of Health and Welfare, ibid

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8 Rothwell, Nicholas. ibid

Financial abuse

as encountered by Kildonan financial counsellors

by Sue Fraser, Jenny Hunter and Jennifer Borrell

For some time now, financial counsellors at Kildonan UnitingCare have been encountering deeply troubling stories of financial abuse.

The Kildonan UnitingCare financial counselling program assists people in managing their financial circumstances more effectively through the provision of information, support and advocacy. However, this can be extremely complex when the service user's economic obligations are inextricably entwined with a partner or family member's financial arrangements. The complexity relates to the intertwining of financial and emotional connections. Another serious layer of harm exists when there is financial abuse.

Family violence and financial (economic) abuse

Financial abuse, also known as economic abuse, whether of partners, parents or other family members is usually associated with other forms of family violence and relates to the exercise of power and control over close others. The Victorian legislation, *Family Violence Protection Act 2008*, includes economic violence in their definition of family violence (see box).

'Economic abuse' is specifically defined as behaviour that is coercive, deceptive or unreasonably controls another person without that person's consent:

a. in a way that denies the person's economic or financial autonomy they would have otherwise had; or

b. by withholding or threatening to withhold necessary financial support for reasonable living expenses (of the person or their child) if they are entirely financially dependent on that person.[1]

Deborah Walsh and Wendy Weeks, in their definition of violence against women in families, also include economic control as an abuse of power and a violation of human rights.[2]

Instances of family abuse encountered by financial counsellors

Control over money lies at the base of economic violence towards partners. Violence towards anyone, male or female, is unacceptable. Economic abuse by males toward females is the most common situation encountered by Kildonan financial counsellors. It happens to women of all ages and from all socio-economic levels. It does not matter whether the type of bank account the woman uses is a joint or individual one. The economically abusive partner will find a way to access the money and use it solely for his purposes. Other typical scenarios are:

- Men who either get their partner to sign up as the car owner or regularly take their partner's car and run up thousands of dollars in fines; if young, the bloke typically disappears, as does the car.
- Men who hold assets in their names and ensure all liabilities are in their partner's name – usually credit cards, household bills and personal loans.
- Men who use the assets of their partner as security to fund fairly risky projects or speculation, often getting access to their partner's superannuation through the hardship provisions or persuading them to cash in their long service leave, family borrowings etc. In one case, a nurse in her mid 50s had a nervous breakdown. The counsellor said this woman felt she had been used by her partner as a 'cash cow'.
- Men who control their partners by allowing for no separate partner income and providing inadequate funds for running a household, maintaining a car, feeding the family or for personal spending.

One Kildonan financial counsellor said, '*My two concerns are the story society tells women about relationships (and the resulting implications for money arrangements) and also the sense of entitlement others see themselves as having to the woman's finances even though her entitlement is greater for a range of reasons*'.

In a focus group for abused women run by one of the authors, the women discussed spending patterns. She said eight out of ten women were not allowed to buy sanitary napkins for themselves. '*It was seen as non-essential. They were either given a list and would not have purchased anything other than what was on the list, or the fellow went with them, and everything they took for themselves was replaced...*' She also commented that abusing partners who withhold money tend to use it as a bartering tool.

For example, abusive men who demand sex from their partner in return for money to meet children's needs, such as participation in school excursions.

Another distressing form of financial abuse that financial counsellors encounter too often is abuse of parents by their adult children. A common scenario is young adults who have an income, who live with their parents and who do not contribute to the bills or food. Instead they use their money solely on themselves. This may be considered a form of financial exploitation. Some adult children abuse their parents by actively demanding money via threats and/or emotional blackmail, which may also have physical ramifications.

Another scenario is the exploitation of senior family members. Intimidation toward this end is made possible by the dependence of seniors on family carers and their own lack of power and vulnerability. While financial counsellors encounter this, it is probable that it is more common than detected, due to the difficulty of frail elderly people getting to a financial counsellor, even if they know about the service and feel strong or independent enough to seek counsel. This may also apply to people with a disability who are dependent on others for their care.

What can be done?

Good Shepherd Youth & Family Service and Kildonan UnitingCare are planning a project about economic violence, its many 'faces', and its implications such as those touched on above. The project aims to bring together a range of disciplines and policy makers to consider the impact of economic violence and to work toward collaborative solutions. To stimulate some thought and discussion in the meantime, the following ideas and directions are proposed:

- broad-based community education for all ages on economic violence and what it is
- work with financial institutions to limit financial risk when this is an issue
- better understanding of financial abuse by policing authorities
- understanding of all services/credit providers in relation to economic violence and implications for clients
- review of Centrelink benefits and access where economic violence is an issue
- provision of safe affordable housing, and
- legal issues addressed regarding separation and child support.

NB: For local grassroots research on this topic, see Branigan, E. *His Money or Our Money: Financial Abuse of Women in Intimate Partner Relationships*, Coburg Brunswick Community Legal and Financial Counselling Centre Inc.

References

1 The National Council to Reduce Violence against Women and their Children, *Domestic violence laws in Australia*, Commonwealth of Australia, June 2009, p.73

2 Walsh, Deborah and Weeks, Wendy, *What a smile can hide: A report on the study of violence against women during pregnancy*. Melbourne, Australia: Royal Women's Hospital, Women's Social Support Services, 2004.

News

Women and girls

The care of disadvantaged women and girls has always been the mission of the Good Shepherd Sisters since their arrival in Melbourne in 1863. The Good Shepherd Youth & Family Service *Strategic Plan 2010–2015* reinvigorates and reinforces this mission by having women and girls as one of the four new strategic Service Areas. Gendrie Klein-Breteler is the manager for this service area.

Domestic violence & financial capability

Developing a mentoring response

Women's Health Goulburn North East, based in Wangaratta and Shepparton, has engaged the Social Policy Research Unit to undertake a literature review for their new 'Tools for Change' mentoring project to increase the financial capability of women who have experienced domestic violence. The three-year project is funded by the William Buckland Foundation. The discussion draft includes analysis of women's experiences of economic abuse and financial dependence, the structural barriers to women's long-term economic security, and a range of financial support and learning approaches.

Women and Money multi-lingual DVD

In partnership with Spectrum Migrant Resource Centre, the unit is currently working on the translation and recording of the *Women and Money* DVD into seven different languages. This means the resource can be used in culturally and linguistically diverse communities. This is funded by the Consumer Credit Fund at Consumer Affairs.

Filling the gap

longer term support needs of women who have experienced domestic violence

The *Researching the Gaps* report (Good Shepherd Youth & Family Service, 2009) recommended continuing advocacy to meet the ongoing needs of women who have experienced long-term impacts of domestic violence. Reichstein Foundation, which funded the initial research, has provided further funding for a partnership of McAuley Community Services for Women and Good Shepherd Youth & Family Service to develop a model to meet these needs. Kathy Desmond was engaged as consultant, and the model will be presented to a broad range of stakeholders in early 2011. The Reference Group includes representation from DV Vic, Council of Homeless Persons, Women's Domestic Violence Crisis Service, Immigrant Women's Domestic Violence Service, Women with Disabilities Victoria, and a range of regional and other sector representatives.

Sudanese Scoping Project

The needs of Sudanese refugees in Yarra and Brimbank

The unit assisted in the preparation of this study into the needs of families, youth and children in Sudanese communities, which was launched by Adam Bandt, Federal Member for Melbourne, at St Joseph's Primary School Collingwood in December. The Ian Potter Foundation has funded an innovative partnership between St Joseph's School and Good Shepherd Youth & Family Service to support families through a range of school-based activities.

Who Am I Project

This project is led by the Centre of Excellence in Child and Family Welfare and the University of Melbourne, with participation by a majority of out of home care providers in Victoria, including Good Shepherd Youth & Family Service. It entails mapping of records of people who have been in out of home care, skills development and support for agencies required to keep records of children in out of home care and the dynamic archiving of contextual information to assist inquirers about their records.This is funded by an Australian Research Council Linkage Grant.

continued ➲

News

GSANZ Projects

Good Shepherd Australia New Zealand is now over 12 months old. It has laid foundations for work to be done with disadvantaged women and girls. The work is threefold:

- research
- advocacy
- service development.

Two current research projects are underway:

1. Resourcing Social Policy Connections and La Trobe University to research the settlement issues of female asylum seekers and refugees who come to Australia with their children, but without a spouse or partner.
2. Undertaking a scoping project on forced migration or forced labour of women and girls. This is in partnership with the Anti-Slavery Project at the University of Technology Sydney. The project aims to find out, within the mentioned parameters, the major area of disadvantage, which has not been extensively researched. The aim is to then research this area in order to advocate for change and develop the services required to support the people exploited by these practices.

Policy submissions

Good Shepherd Youth & Family Service has made the following policy submissions:

- Submission to the Review of Job Seeker Compliance System (July 2010)
- Submission to the National Credit Reform Green Paper Enhancing confidence and fairness in Australia's credit law 2010
- Response to the Exposure Draft Family Law amendment (Family Violence) Bill 2010.

Who's who in the Social Policy Research Unit

Marilyn Webster	Manager
Barry Pullen	Policy Consultant
Kathy Landvogt	Social Policy Researcher
Tanya Corrie	Senior Project Worker
Jacinta Waugh	Senior Project Worker

New publications

Sudanese Scoping Project: The needs of Sudanese refugees in Yarra and Brimbank (August 2010)

Smiling for the First Time: Bankruptcy for people with a mental illness – What happens when credit code remedies fail? (September 2010)

Mental Illness and Debt: Information for Mental Health Practitioners (September 2010)

Mental Illness and Debt: Information for Financial Counsellors (September 2010)

Just Credit, Good Practice. Case studies about building financial capability with microfinance loans (November 2010)

Current research

1. **FaHCSIA funded research:**
   - The Economy of the Family: Improving individual financial capability through access to microfinance
   - Developing Effective Local Financial Service Networks (Working Title)
   - National Microfinance Census (Working Title).
2. **Consumer Credit funded research:**
   - Microfinance for microenterprise
   - Mental Illness and Debt – Practitioner materials for financial counsellors and mental health workers.
3. **ARC funded research:**
   - The High Cost of Financial Insecurity: exploring the role of the fringe economy in the lives of low-income Australians with the University of Queensland, RMIT and the National Australia Bank.

Student projects

Food Security and Breakfast Programs
Monash University medical students Clare Gillett and Matt Tang completed a project scoping the food security issues and benefits in the Breakfast Program at Lynall Hall and their findings were presented in poster form.

Government Financial Supports to Families for Primary and Secondary Education
A paper analysing the EMA, School Start Bonus, and Education Tax Refund is being prepared for publication based on the work of our recent RMIT student intern, Irene Morgan.

Development of an Evaluation Plan
RMIT social work and psychology student, Jacinta Cleary, has developed an evaluation plan for the 'Outlandish' program, a community gardening project for women, in St Kilda.

Good Shepherd Youth & Family Service Program and Service Summary 2009–2010
RMIT social work student, Patrick O'Keefe, completed an internal program and service summary.

Contact us:

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