

# Economic Abuse in New Zealand: Towards an understanding and response

## Executive Summary

### Authors

Sandra Milne, Susan Maury and Dr Pauline Gulliver

### Co-Author

Nicola Eccleton



Good Shepherd  
Australia New Zealand



Good Shepherd  
New Zealand

# Executive Summary

## Introduction

The Good Shepherd network aims to create an emotionally, physically and economically safe world, especially for women and girls. As such, we are interested in, and work with women to build, their security and wellbeing as an essential foundation for a woman's full participation in life.

Violence against women is an issue that every country is trying to address, and ultimately eliminate. Reportedly, one in three New Zealand women experiences physical and/or sexual violence from a partner, known as intimate partner violence (IPV), in their lifetime (Aviva). Approximately half of all homicides in New Zealand are family violence-related, and, per capita, this family violence homicide rate is more than twice that of Australia, Canada, or the United Kingdom. Economic insecurity is one of the key reasons many people do not feel they are able to leave violent relationships, and why some may return to violent partners. Economic insecurity is not only a *consequence* of family violence, but is itself a *form* of family violence (as economic or financial abuse) (Corrie, 2016).

Economic abuse is a specific type of family violence that is "causing or attempting to cause an individual to become financially dependent on another person, by obstructing their access to or control over resources and/or independent economic activity (UN Women, 2012)." Economic abuse is often, but not always, part of a pattern of abusive control that incorporates other forms of intimate partner violence (IPV), including physical, sexual and psychological. However, awareness of economic abuse in New Zealand is quite low, and it has only recently been added to the legislative definition of family violence. This study considers economic abuse, specifically as a form of IPV where men perpetrate violence against women, within the New Zealand context. The purpose of this report is to contribute to a common understanding of economic abuse and grow the knowledge in this area to support effective, evidence-based policy and practice responses.

## Research objectives and questions

The objectives of this research were to:

- Gain a more comprehensive understanding about what economic abuse means in the New Zealand economic and social context.
- Scope the regulatory and policy environment as it relates to economic abuse, including:
  - Credit law
  - Family law
  - Income support
  - Community supports
- Gauge the level of understanding of economic abuse, in particular understanding within:
  - Community services
  - Financial institutions and credit providers
  - Government agencies

- Legal support services
- Scope the relevant service provision supporting survivors of economic abuse.
- Identify and provide recommendations on research, policy and service gaps.

## Research methodology

A literature and policy review was conducted, covering research and policy relevant to economic abuse in New Zealand. The core findings from the literature and policy review were then presented to key stakeholders in a series of consultations designed to generate information and develop recommendations for the New Zealand context. A total of four consultations were held in Christchurch, Wellington and Auckland, and included representatives from community services, financial institutions and credit providers, government agencies and legal support services. From this series of robust conversations, recommendations were drafted. These were then presented back to a group of women who have experienced IPV and/or economic abuse to provide feedback. This action research process has also created a core group of key stakeholders who now have heightened awareness of the negative impacts economic abuse has on women, as well as a clear understanding of what policy and practice changes can help to mitigate these effects.

## Key findings

### Understanding and impact

Despite agreement across key stakeholders as to its widespread nature, economic abuse is not thought to be well understood in New Zealand. There is a lack of common understanding or information, leading in turn to a lack of community and cross-sector awareness; and a lack of pre- or post-intervention frameworks to address economic abuse systematically. Neither is the impact of economic abuse, including erosion of confidence and its implications on long-term financial, emotional and children's wellbeing, thought to be understood.

Economic abuse is seen as an emerging but as yet largely unaddressed form of abuse in New Zealand. It is slowly gaining visibility following a greater emphasis on and understanding of family violence, in which cross-government work has raised awareness and improved responses.

Participants identified a number of interpersonal and structural factors that contribute to a lack of awareness of economic abuse, and complicate effective responses:

- **The taboo nature of discussing both money matters and domestic violence:** it is difficult for women to speak of either their financial experiences or experiences of domestic violence when there is a culture of silence on these topics.
- **Patriarchal and cultural systems and expectations:** including cultural norms and beliefs that looking after money is a male responsibility as the "head of the house," while women look after children from pregnancy through to adulthood and beyond.
- **Financial systems:** a culture of 'easy credit' and its availability, and male partners doing 'cash jobs' to avoid financial childrearing responsibilities.

- **Inadequate legal and other reforms:** Women experiencing economic abuse have not benefitted from previous reforms to legal and government agency systems.

In some cases, refuge or other family violence staff, such as financial mentors, workers in Work and Income, and some emerging practice responses by some banks were cited as good examples of workers who could identify economic abuse and attempt to respond. However, participants felt the lack of awareness across all sectors led to a fragmented and frustrating response, which in many cases worsened the financial and social challenges of those impacted by economic abuse.

---

*“Although community family violence services have a better level of understanding to help people recognise that economic abuse may be happening, we are not always sure what to do with the information to assist the woman to redress the problem.”*

- Research participant

---

Research participants named specific and extensive interpersonal and structural gaps in responding to the problem. Of importance is that at all stages of intervention, the onus is on the woman to prove that economic abuse is occurring; and this in itself provides a challenge. Economic abuse is intended to limit financial and other forms of agency, while navigating a fractured system also creates emotional, physical and financial drain. Most often the evidence, or the resourcing to obtain it, is not generally or readily available to women.

A lack of clear definition, effective legislation and coordination across sectors has resulted in poor identification, protections and redress. In some cases, legislation can exacerbate the problem. Specifically, changes to the family justice system mean women are often facing their abusers in court without proper legal representation. Perpetrators can also use the court system to continue to inflict economic abuse on ex-partners through protracted legal proceedings.

Victims of economic abuse are subject to a range of negative outcomes. These can include poverty; debt, including debt that is itself a form of economic abuse and debt accrued from predatory lenders in order to make ends meet; homelessness; reduced employment or interrupted employment; difficulty in caring for or maintaining custody of children; and reduced access to mainstream financial resources. Unlike other forms of IPV, economic abuse can continue long after the relationship has ended. The negative outcomes for mothers and children can reach across the entire lifespan.

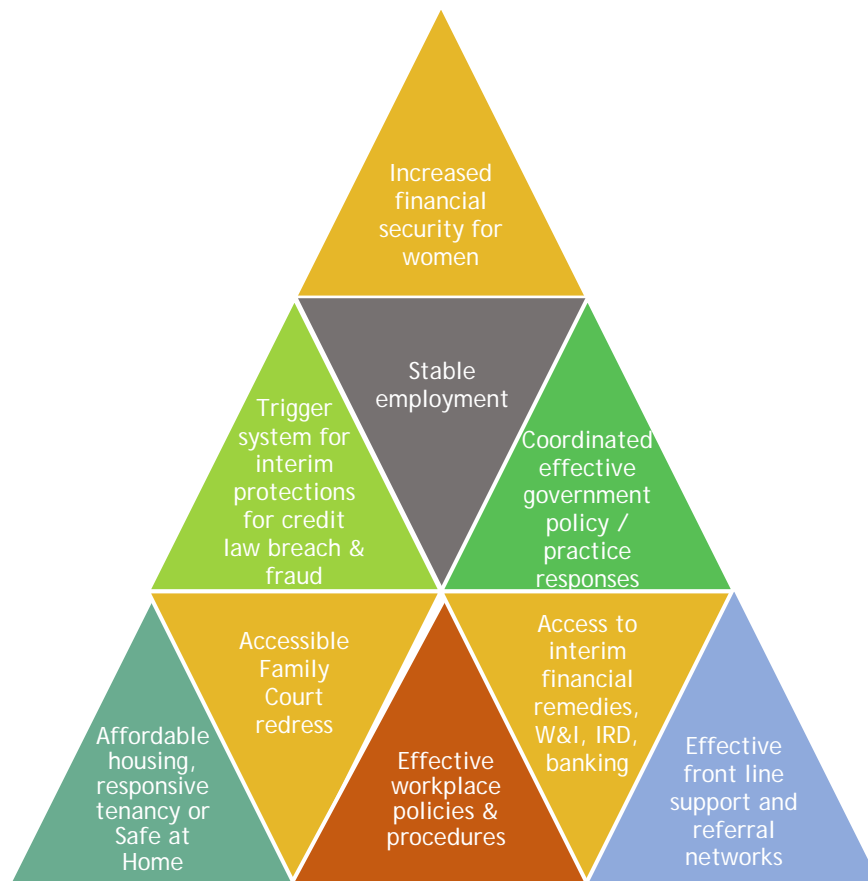
### [Developing an approach to economic abuse](#)

Eliminating economic abuse will require a comprehensive, cross-sector approach, guided by people with lived experience, to examine and plan to address the underpinning historic, cultural and gender specific circumstances and attitudes that impact on women’s personal vulnerability to, and experiences of, economic abuse. This approach will identify and address structural factors, including legal, political, policy and practice approaches towards economic abuse, with an emphasis on co-

designed, culturally relevant and responsive services that recognise the strengths and aptitude of women with lived experience.

**Figure 2** provides an indication of the factors and responses to be considered, based on research findings, for an effective response to economic abuse. However, response is only a part of the solution, albeit an important part. Prevention and building recovery post-abuse are critical in order to minimise the incidence of economic abuse, while supporting recovery, both financially and socially.

**Figure 2: An enhanced response system for victims of economic abuse**



### **Coordinated response**

Due to the nature of economic abuse, it requires an informed, coordinated response that starts with a knowledgeable workforce that can identify it when interacting with clients. Sectors in the front line include family violence services, legal services, banks, utility companies, police, Family Court, Work and Income, and budgeting services/financial mentors. Additionally, such initial contact must incorporate a culturally specific lens. Community-facing campaigns can assist women to identify their own experiences as economic abuse, much as the successful 'It's Not OK' campaign has done for family violence more generally.

## **Recognition**

Further, while it is an important step that economic abuse is now formally recognised in the Domestic Violence Act, it should be recognised as a form of abuse in its own right rather than a subset of psychological abuse; this will allow for holistic and appropriate responses that extend far beyond the psychological harm that economic abuse inflicts to address practical matters of financial security. Key participants indicated that, while forms of economic abuse are often suspected or noticed by officials, there is a lack of referral pathway.

### **‘No wrong door’**

A ‘no wrong door’ approach was identified by key participants as an effective practice response to people experiencing economic abuse. Ideally, women could access information and support through a number of ‘touch points,’ including universal services, financial institutions, police, legal or court interactions, housing, family violence, or culturally specific services. This approach requires a targeted response that supports community and workforce capacity-building through shared awareness, information and a common language.

### **Lived experience**

Any process should continue to draw on the lived experience of women and others affected, through consultation and co-design. Approaches should generate community awareness and provide a clear avenue for cross-sector involvement and support, while considering both short and long term outcomes for those affected.

### **Trialling new initiatives in local areas**

Trialling new initiatives should be supported by locally-based cross-sector agencies, using flexible approaches to highlight legal and service response gaps and remedies, and a co-design component to ensure outcomes for victims/survivors are positive. This would support ‘on the ground’ learning and adaptation and potentially mitigate untoward/unplanned impacts of changed policy responses. Pilots could be scaled up or adapted for specific localities.

## **Recommendations**

The framework on the following pages summarises this report’s key themes and recommendations within a practice framework, from prevention through to post-response recovery, taking into account interpersonal and structural contributors.

## Interpersonal and community responses

Prevention	Early intervention and initial response	Recovery and resilience building
<p><b>Building community financial and relationship awareness</b></p> <p>Involving people with lived experience in developing information, to be provided:</p> <ul style="list-style-type: none"> <li>• In schools – for parents, teachers and children</li> <li>• Through community awareness campaigns</li> <li>• Using cross-sector information for provision to all clients - risks and supports</li> <li>• Using culturally specific approaches in communities, families</li> <li>• Focusing on underserved communities</li> <li>• By financial mentors and trainers in workplaces for employee capability</li> </ul>	<p><b>Universal support services</b></p> <ul style="list-style-type: none"> <li>• Capacity building for ‘first contact’ services (doctors, maternity and child health services, schools etc) - awareness, identification skills and information on options for access to early redress</li> <li>• Peer to peer supports, online and face to face</li> </ul> <p><b>Workplaces</b></p> <ul style="list-style-type: none"> <li>• Employer capacity building, support and incentives to develop flexible policy and procedure</li> <li>• Employee training and support to access employer provisions</li> <li>• Local trials to determine gaps and effective practice</li> <li>• Good practice information sheets and checklists</li> </ul>	<p><b>Financial capability</b></p> <ul style="list-style-type: none"> <li>• Continued financial mentor/dedicated financial capability support to increase financial wellbeing knowledge, confidence and behaviours</li> <li>• No and low interest loans</li> <li>• Matched saving schemes</li> <li>• Financial coaching – families and individuals</li> <li>• Money Mates groups</li> <li>• Integrate family violence perspective into financial capability building work</li> </ul> <p><b>Social and peer support</b></p> <ul style="list-style-type: none"> <li>• Peer to peer</li> <li>• Facilitated face to face</li> <li>• Social media groups</li> <li>• Culturally specific</li> <li>• Strategies for underserved communities</li> </ul> <p><b>Combined financial and social wellbeing</b></p> <ul style="list-style-type: none"> <li>• Mentoring and coaching approaches.</li> </ul>
<p><b>Data collection</b> – impact on increased community and service provider knowledge of economic abuse; effectiveness of awareness training.</p>		
<p><b>Examples of existing approaches and resources</b></p> <p>Economic Abuse Reference Group, Victoria, Australia <a href="https://earg.org.au/">https://earg.org.au/</a></p> <p>“About Us” Surviving Economic Abuse website, UK <a href="http://survivingeconomicabuse.org/">http://survivingeconomicabuse.org/</a></p> <p>Family financial coaching, Vaka Tautua <a href="https://www.vakatautua.co.nz/financial-literacy-for-pacific-families">https://www.vakatautua.co.nz/financial-literacy-for-pacific-families</a></p> <p>Financial mentors <a href="http://www.nbfctt.com/">http://www.nbfctt.com/</a></p> <p>Shine DVFREE Tick <a href="http://www.dvfree.org.nz/">http://www.dvfree.org.nz/</a></p> <p>“It’s Not OK”, MSD <a href="http://areyouok.org.nz/">http://areyouok.org.nz/</a></p> <p>Women’s Refuge Responsive Workplaces <a href="https://womensrefuge.org.nz/responsive-workplaces-family-violence-your-organisation/">https://womensrefuge.org.nz/responsive-workplaces-family-violence-your-organisation/</a></p> <p><i>The Voices of People in Hard-to-Reach Communities Report</i>, 2017: Ministry of Social Development</p> <p>NILS no interest loans <a href="http://nils.org.nz/">http://nils.org.nz/</a></p> <p>StepUP low interest loans <a href="http://stepuploan.org.nz/">http://stepuploan.org.nz/</a></p>		

Structural responses		
Prevention	Early intervention and initial response	Recovery and resilience building
<p><b>Across sectors</b></p> <ul style="list-style-type: none"> <li>• Cross-sector awareness training for shared understanding, shared language and approach to provision of information and support, identification of risk and strength based approaches to support</li> </ul>	<p><b>Legal aid</b></p> <ul style="list-style-type: none"> <li>• Training to support legal aid information provision to clients re costing model and options</li> </ul> <p><b>Across sectors</b></p> <ul style="list-style-type: none"> <li>• Cross-sector workforce capacity building in awareness, and strength-based, consistent first response options: family violence services, financial mentors, police, legal and court, W&amp;I, IRD, family support, drug and alcohol, etc.</li> </ul>	<p><b>Across sectors</b></p> <ul style="list-style-type: none"> <li>• Building capacity of cross-sector staff to continue to work collectively to support recovery from economic abuse through reference groups, ongoing professional development</li> <li>• Encourage and facilitate longer term support provision to women and children</li> </ul>
<p><b>Data collection</b> – Before/after surveys of awareness, gaps, skills, knowledge and confidence of workers, further support or information needed.</p>		
<p><b>System review</b></p> <ul style="list-style-type: none"> <li>• System review and redress for gender bias, and legislative, policy and implementation approaches that fail to respond to, or further entrench, economic insecurity</li> </ul>	<p><b>Legislation and legal</b></p> <ul style="list-style-type: none"> <li>• Amend the Domestic Violence Act to recognise economic abuse independently of psychological abuse</li> <li>• Examination of Family Law reform impacts, credit and tenancy law and implementation, and other relevant legislation from an economic abuse perspective</li> <li>• Implement provisions in the Domestic Violence—Victims' Protection Bill</li> </ul> <p><b>Policy and processes</b></p> <ul style="list-style-type: none"> <li>• Review joint account and debt initiation and recovery processes for economic abuse: including utilities &amp; telecommunications, fines, financial institutions, tenancies, schools</li> <li>• Training to financial institutions, utilities and other relevant agency staff on awareness, identification and responses to economic abuse</li> <li>• Increase and strengthen housing responses such as Safe at Home</li> </ul>	<p><b>Collaborative practice</b></p> <ul style="list-style-type: none"> <li>• Continue to build on cross-sector consultative approaches, systems and legal frameworks to work collectively to support recovery from family violence and economic abuse</li> <li>• Research on progress and impacts</li> <li>• Trial new evidence based and co design support approaches to build financial skill and confidence.</li> </ul>
<p><b>Data collection</b> – examination of gaps, recommended improvements, other models, potential implications of systemic change, stakeholder awareness and implications.</p>		
<p><b>Examples of existing approaches and resources</b></p> <p>Commerce Commission and Building Financial Capability Charitable Trust NZ resources  Economic Abuse Reference Group, Victoria, Australia <a href="https://earg.org.au/">https://earg.org.au/</a>  “About Us” Surviving Economic Abuse website, UK, <a href="http://survivingeconomicabuse.org/">http://survivingeconomicabuse.org/</a></p> <p style="text-align: right;"><i>Corrie, T, 2016: Restoring Financial Safety: Legal Responses to Economic Abuse, GSANZ.</i>  <a href="https://www.goodshep.org.au/media/1220/restoring-financial-safety_legal-responses-to-economic-abuse_web.pdf">https://www.goodshep.org.au/media/1220/restoring-financial-safety_legal-responses-to-economic-abuse_web.pdf</a></p>		