

MEDIA RELEASE

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New report shows domestic violence victims punished for Centrelink debts caused by abusers

A new report from Economic Justice Australia looking at Centrelink debts and domestic violence, shows that survivors of domestic violence, usually women, are unfairly held solely responsible for social security debts in situations where the debt was the direct result of their partner's or ex-partner's threats, physical violence or coercion.

Economic Justice Australia CEO, Leanne Ho, said:

"Our research reveals instances where domestic violence victims/survivors' debts are clearly the direct result of the actions of perpetrators. A common scenario is where an abusive partner provides inaccurate information about their income, leading to inaccurate assessment of eligibility and payment rates – often over a protracted period. In other cases, women have been forced to provide false information to Centrelink by violent and controlling partners, with threats of violence in retaliation if they contact Centrelink to rectify assessments or leave the relationship. The ongoing duress experienced by women trapped in these situations can result in massive debts. Victims/survivors are often held solely responsible for these debts, effectively punished by the state as a consequence of violence perpetrated by their abuser."

Many of the Centrelink debts examined in the report are the result of Centrelink assessing a victim of domestic violence to be a 'member of a couple'. The single rate of payment is more than half the couple rate, based on the idea that the cost of living is lower for two people living as a couple than it is for two single people, and that the income and assets of both members of a couple should therefore be taken into account when working out how much they are entitled to receive. Where a person is assessed to be a member of a couple and Centrelink considers that they failed to advise Centrelink of commencing the relationship within 14 days, as required, a debt will be raised. The debt could be the difference between the single and couple rate, or if their alleged partner has significant income and assets, the debt could be for the full amount the person received, which can amount to tens or hundreds of thousands of dollars.

"Our report shows that women experiencing domestic violence continue to be assessed as being a member of couple for the purposes of social security law. This effectively tethers the women and their children to their abuser, even in circumstances where income is not shared between the couple. This means women end up owing a debt to Centrelink when they did not receive any benefit from the Centrelink benefits allegedly overpaid", said Ho. "It also enables Centrelink compliance rules and mechanisms, including the anonymous 'Fraud Tip-off Line' to be used by abusers as a tool of harassment, abuse, control and revenge".

The report makes 27 recommendations to reduce the risk of victims/survivors of domestic violence being pursued to repay unfair Centrelink debts, and ensure that the social security system can play its vital role as a safety net for women to escape domestic violence, and find safety and economic security – without carrying the burden of debts incurred under duress.

“We currently have these absurd rules around debt waiver which mean that a woman’s violent and controlling partner can make the offending statement or omission to Centrelink, and she will be the one who is stuck with the debt. Our report recommends changing the law to ensure that liability for repayment of a debt rests with the person who benefited from the overpayment – for example, where a woman is coerced by a violent partner into not declaring his income”, said Ho. “Decision-making guidelines used to determine relationship status should also make it clear that the presence of domestic violence may indicate an absence of commitment, and that the person is therefore not a member of a couple”.

Australia’s primary instrument to address family and domestic violence is the National Plan to Reduce Violence against Women and their Children: 2010–2022, with a new National Plan in the final stages of development. Surprisingly, actions to enhance access to income support have been largely missing from the National Plan and its associated action plans.

“We are concerned that the Government’s recent Women’s Safety Summit which was intended to inform the new National Plan did not include a session on social security in its agenda. While the \$5000 escaping violence packages are a welcome source of crisis support, ongoing social security support must be central to any discussion of women’s safety, as this is the only place where many women will find economic security through an independent source of income – not only to escape, but to remain safe and rebuild their lives”, said Ho.

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Debt, Duress and Dob-ins: Centrelink compliance processes and domestic violence, is the report of a research project in partnership between Economic Justice Australia, the University of Wollongong, the University of Sydney and the University of Queensland and is available at <https://www.ejaustralia.org.au/latest-news/debt-duress-and-dob-ins-centrelink-compliance-processes-and-domestic-violence/>