



**FINANCIAL COUNSELLORS' ASSOCIATION
OF WESTERN AUSTRALIA**

FCAWA SUBMISSION

*Inquiry into the health
impacts of alcohol
and other drugs in
Australia*

November 2025

About FCAWA & Financial Counselling

FCAWA

The Financial Counsellors' Association of Western Australia (FCAWA) is the peak body and voice of financial counselling in WA. We advocate for financial wellbeing and promote excellence in the sector to achieve our goals of financially resilient communities and reduced hardship for all.

We provide Financial Counsellors with training, resources, events and professional support so they can deliver free, independent and confidential help to people facing financial hardship. We also advocate for systemic change, working with government, regulators, and agencies to make financial systems fairer and more compassionate.

As a not-for-profit organisation, FCAWA:

- Provides continuous professional development, resources, and support for Financial Counsellors.
- Advocates for a fair and equitable marketplace.
- Works to raise the profile of Financial Counsellors.
- Advocates to increase access to financial counselling.
- Works to improve hardship processes for people in financial difficulty.

Financial Counselling

Financial counselling is a free, independent and confidential service provided by qualified professionals to people experiencing financial hardship. Financial Counsellors support individuals, families and small businesses to stabilise their financial situation through budgeting and money planning, understanding rights and negotiating with creditors, exploring options such as bankruptcy, accessing grants or concessions, and connecting with other support services including mental health, AOD, legal and family violence supports.

Acknowledgement of Country

We acknowledge the Traditional Custodians of the land on which FCAWA's Head Office is located, the Whadjuk people of Noongar Boodjar.

We recognise their continued connection to the land and waters of this beautiful place, and acknowledge that they never ceded sovereignty. We respect all Whadjuk Elders and their Ancestors, and all First Nations peoples.

Executive Summary

The Financial Counsellors' Association of Western Australia (FCAWA) welcomes the opportunity to contribute to the Inquiry into the Health Impacts of Alcohol and Other Drugs in Australia.

This submission responds specifically to Terms of Reference (c); outlining how integrated financial counselling can contribute to prevention, early intervention, recovery and the reduction of alcohol and other drug (AOD) harms.

Financial distress is a significant and modifiable social determinant of AOD outcomes. Rising cost-of-living pressures, debt, unstable housing, economic abuse, fines and unemployment all increase vulnerability to harmful AOD use and reduce capacity to engage in treatment^{1 2 3 4}. Embedding financial counselling across non-health systems strengthens early intervention, reduces crisis escalation and supports more stable engagement with therapeutic and community services⁵.

Financial counsellors frequently identify economic abuse, coercive control and severe financial stress, all of which heighten AOD risk.^{3 4 5} Their role across housing, justice, family violence, gambling harm and community sectors positions them as a critical access point for early identification, stabilisation and prevention.

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¹ Early Intervention Foundation. *The Cost of Late Intervention in Australia*. Melbourne: EIF Australia, 2024.

² Australian Institute of Health and Welfare. *Social and Economic Determinants of Suicide and Self-Harm*. Canberra: AIHW, 2024.

³ Western Australian Council of Social Service. *Cost of Living Report 2024*. Perth: WACOSS, 2024.

⁴ Economic Abuse Reference Group. *Submission to the Inquiry into Financial Services Regulatory Frameworks in Relation to Financial Abuse*. Melbourne: EARG, 2024.

⁵ Suicide Prevention Australia. *Community Tracker Report*. Sydney: Suicide Prevention Australia, 2025..

Introduction

Financial counsellors provide free, independent and confidential support to people experiencing financial hardship and work across sectors including housing, justice, family violence, gambling harm and community services.

Financial stress is both a driver and a consequence of alcohol and other drug (AOD) harms. Rising cost-of-living pressures, insecure housing, unpaid fines, economic abuse and income instability are well-established social determinants that increase AOD risk and reduce capacity to engage in treatment^{1 2 3 4}. Financial counsellors frequently support individuals at points where these stressors escalate into housing risk, infringements, utility disconnection or acute financial crisis, all of which heighten vulnerability to AOD-related harms⁵.

Financial counsellors are often the first professional to identify economic abuse, coercive control, severe financial stress or early indicators of crisis, making their role critical in prevention and early intervention^{3 4 5}. Their cross-sector presence provides a unique opportunity to stabilise financial stressors that contribute to AOD use and undermine treatment engagement.

Research in 2014 found that every \$1 invested in financial counselling provides a \$5 return, and that four in five clients had experienced at least one financial crisis⁶. Additional economic modelling by the University of Adelaide highlights the broader economic value of financial counselling, demonstrating significant avoided system costs across health, justice and housing pathways⁷. This has been reinforced by the Victorian Government's return-on-investment analysis, which estimates that financial counselling delivers between \$3.70 and \$5.30 in economic benefit per dollar invested, rising to as high as \$8.10 for clients affected by family violence, \$7.40 for small business owners and \$5.90 for clients with a disability⁸.

The Victorian Financial Counselling Workforce Strategy further highlights the broader economic and social value of financial counselling, noting benefits such as improved mental health, stronger housing stability, reduced legal escalation and more equitable access to support⁹.

The researchers noted that the 2014 cost-benefit analysis did not include benefits that are more difficult to quantify, such as improvements in financial literacy, mental health outcomes, stabilised housing or avoidance of legal action. In other words, the 1:5 cost benefit is a highly understated and conservative measure of the true economic impact of financial counselling⁶.

⁶ Mahmoudi, P., Hordacre, A-L., & Spoehr, J. Paying It Forward: Cost-Benefit Analysis of The Wyatt Trust Funded Financial Counselling Services. Adelaide: Australian Workplace Innovation and Social Research Centre, University of Adelaide, 2014.

⁷ University of Adelaide. Paying It Forward: The Economic Value of Financial Counselling Services in Australia. Adelaide: University of Adelaide, 2018.

⁸ Victorian Government. Return on Investment Analysis of Financial Counselling Services. Melbourne: State Government of Victoria, 2024.

⁹ Financial Counselling Victoria (FCVic). Growing Financial Counselling in Victoria: The Next 10 Years – Victorian Workforce Strategy. Melbourne: FCVic, 2025.

Core System Recommendations

1

Integrate financial counselling as a core component of AOD treatment systems, including routine financial-wellbeing screening, co-location within multidisciplinary teams, and standard inclusion across withdrawal, residential and community programs.

2

Implement coordinated, cross-portfolio commissioning across AOD, housing, justice, mental health, employment and social services to address the financial determinants of AOD harm through aligned funding, joint planning and integrated service models.

3

Establish structured cross-sector referral and support pathways linking AOD services with financial counselling, housing, justice, FDV, gambling-harm and employment supports, supported by warm-referral processes, shared-care protocols and early-intervention tenancy and fines management.

4

Embed economic-safety and financial-stability practices across related service systems, including specialist responses to economic abuse in FDV and gambling services, expansion of fines-reduction and income-stability supports, and workforce capability building to recognise financial stress and related risks.

Embedding Financial Counselling

Financial distress is a well-documented social determinant of AOD harm². People experiencing AOD challenges often face escalating debts, unpaid fines, licence suspensions, child support arrears, utility disconnection, rental arrears and economic abuse³. These pressures intensify relapse risk and reduce capacity to stabilise or engage in treatment^{2 5}.

Financial counsellors provide trauma-informed support that restores essential services, negotiates debts, identifies financial abuse and supports treatment engagement^{4 5}. Evidence from Odyssey House Victoria demonstrates improved retention and smoother transitions across programs when financial counsellors are embedded. Ruah Community Services reports strengthened multidisciplinary practice and reduced crisis escalation through integrated financial counselling models¹¹.

Housing

Housing instability is strongly associated with AOD harm, relapse and crisis escalation³. People experiencing AOD challenges are disproportionately affected by rental arrears, tenancy breach notices, utility disconnection and homelessness³. Financial counsellors stabilise housing through arrears negotiation, advocacy, emergency relief access and tenancy sustainment planning^{1 3}. Stable housing supports improved AOD engagement and reduces relapse likelihood².

Recommendations

1. Co-locate financial counsellors within homelessness and tenancy support services.
2. Establish AOD–housing referral protocols to identify tenancy risk early.
3. Include financial counselling in tenancy sustainment programs.
4. Integrate rental stress screening into AOD intake processes.

Justice

People experiencing AOD harms frequently interact with fines, infringements and the justice system². Financial barriers such as unpaid fines, suspended licences and debt increase relapse risk and reduce treatment access^{4 5}. Financial counsellors assist with Work and Development Permit Scheme access, negotiation of payment plans and post-release reintegration planning. Financial stability improves reintegration outcomes and reduces AOD-related risk⁵.

Recommendations

1. Embed financial counselling within justice diversion programs and custodial transitions.
2. Include financial counselling in pre-release and post-release planning.
3. Develop integrated justice–AOD–financial counselling referral pathways.
4. Expand fines-reduction pathways for people engaged in AOD treatment.

¹⁰ Odyssey House Victoria. *Annual Report 2022–23*. Melbourne: Odyssey House Victoria, 2023.

¹¹ Ruah Community Services. *Service Integration Pilot Summary*. Perth: Ruah Community Services, 2024.

Employment

Income instability, underemployment and unemployment significantly contribute to AOD vulnerability¹⁵. People in AOD treatment often experience income loss or unstable hours, increasing financial pressure and relapse risk. Financial counsellors support Centrelink navigation, budget stability, debt management and planning for treatment-related income interruptions⁵.

Recommendations

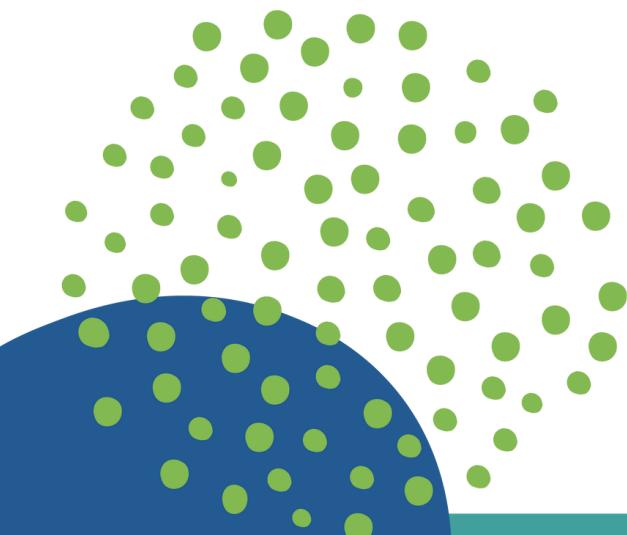
1. Integrate financial counselling into employment, reintegration and vocational programs.
2. Ensure financial counselling access during treatment, relapse and return-to-work transitions.
3. Partner with employers to incorporate financial counselling into wellbeing initiatives.

Social Services, Family Violence and Gambling Harm

Economic abuse and coercive control are closely linked to AOD harm. Victim-survivors may use substances to cope with forced debt, financial control, systems abuse and income withholding³. Financial stress also increases vulnerability to gambling harm and co-occurring AOD use¹². Financial counsellors identify economic abuse, provide financial safety planning, negotiate with creditors and stabilise gambling-related financial crises³⁵.

Recommendations

1. Embed financial counselling in FDV services, refuges and gambling harm programs.
2. Strengthen economic safety planning in AOD, FDV and gambling systems.
3. Train AOD providers to screen for financial abuse and economic harm.
4. Establish specialist referral pathways connecting FDV, gambling and AOD services.



Funding and System Integration

Effective AOD prevention requires coordinated investment across health, housing, justice, employment and social services⁵. Financial distress intersects with each of these systems²³. Integrated commissioning ensures coordinated support and reduces gaps where financial drivers of relapse may otherwise go unaddressed. Cross-portfolio commissioning strengthens whole-of-person, trauma-informed responses⁵.

Evidence from South East Community Links (SECL) demonstrates the value of non-clinical, place-based partnership models in responding to AOD harm. Through its Community Connectors program, SECL partners with Metro Trains Melbourne to provide flexible, wraparound support at train stations for people experiencing AOD issues, mental health concerns, homelessness and social exclusion. The model has engaged thousands of people, prevented repeated incidents of harm and reduced reliance on police- and crisis-driven responses, while strengthening collaboration across community services, transport operators and police¹².

Recommendations

1. Establish cross-portfolio commissioning across AOD, mental health, housing, justice and employment.
2. Develop national referral pathways linking financial counselling with AOD services.
3. Build workforce capability on financial stress, economic abuse and related determinants.
4. Align AOD policy with social-determinants and wellbeing frameworks.

¹² South East Community Links. *Submission to the Inquiry into the Health Impacts of Alcohol and Other Drugs in Australia*. Melbourne: SECL, 2024

Conclusion

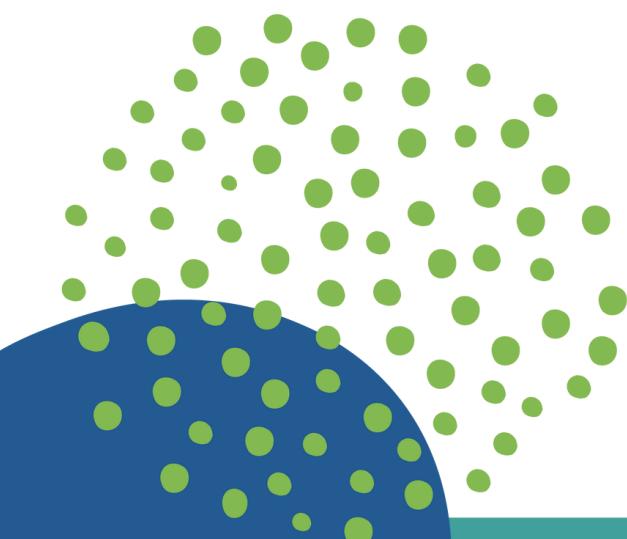
Financial counselling is a critical, evidence-based and cost-effective component of Australia's alcohol and other drug (AOD) harm-reduction system. Financial distress is one of the most significant and modifiable social determinants of AOD harm, and stabilising finances strengthens safety, reduces economic stressors and improves the capacity of individuals to engage in treatment and sustain recovery. By resolving debts, preventing eviction, addressing fines, identifying economic abuse, restoring essential services and supporting income stability, financial counsellors reduce crisis escalation and create the conditions required for therapeutic engagement.

AOD harms do not arise in isolation, and neither can they be addressed in isolation. People experiencing AOD challenges often navigate multiple, overlapping systems; housing, justice, employment, family violence, gambling harm and income support, all of which carry financial pressures that can either undermine or support recovery. Embedding financial counselling across these service systems ensures earlier intervention, stronger pathways into treatment and better continuity of care. Cross-sector approaches are particularly important for people experiencing complex disadvantage, where financial stress is both a driver and consequence of AOD use.

There is a clear and compelling opportunity for the Commonwealth to strengthen national AOD responses by formally recognising financial counselling as an essential, trauma-informed psychosocial support across AOD, housing, justice, employment and family violence frameworks. Cross-portfolio commissioning, structured referral pathways and co-located service models would significantly reduce service fragmentation, improve treatment retention and contribute to meaningful reductions in relapse risk.

Investing in financial counselling is also a fiscally responsible reform. Evidence shows strong return on investment, reduced reliance on crisis services and improved outcomes across housing, justice and health systems. Strengthening access to financial counselling within AOD pathways would reduce avoidable system costs while improving safety, stability and long-term recovery outcomes for individuals, families and communities.

FCAWA urges the Committee to recognise financial counselling as a core component of Australia's AOD system and to support nationally consistent, integrated models of care. Addressing the financial determinants of AOD harm is necessary for lasting recovery, and embedding financial counselling across intersecting service systems is a practical, evidence-informed reform that will deliver substantial social and economic benefits nationwide.



Further Information

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Our Vision

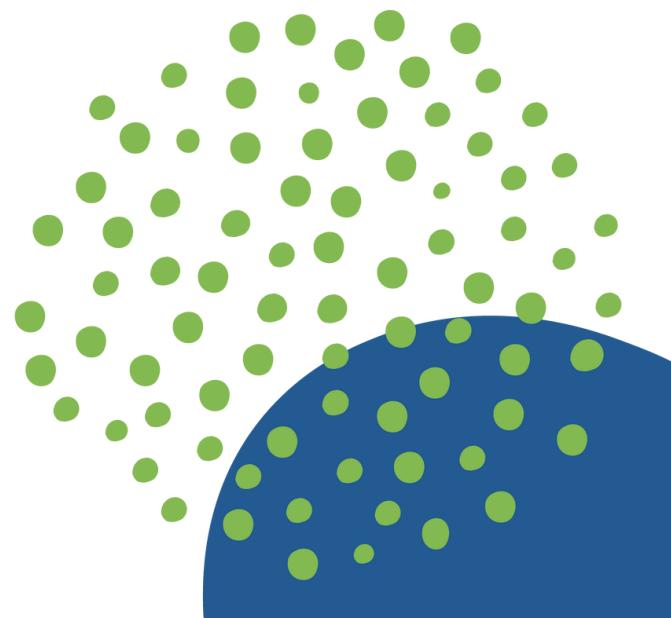
Financially resilient Western Australians with reduced financial hardship.

Our Purpose

- Advocating for financial wellbeing.
- Promoting excellence and compliance in the financial counselling sector.
- Providing the voice of financial counselling in Western Australia.

Our Values

Integrity | Leadership | Support | Innovation





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