



**FINANCIAL COUNSELLORS' ASSOCIATION
OF WESTERN AUSTRALIA**

FCAWA SUBMISSION

***Combatting financial abuse
perpetrated through coerced
directorships***

December 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.

Combatting financial abuse perpetrated through coerced directorships

The Financial Counsellors' Association of Western Australia (FCAWA) welcomes the opportunity to provide a submission to Treasury's consultation on *Combatting financial abuse perpetrated through coerced directorships*. FCAWA represents the financial counselling sector in Western Australia, whose members support individuals experiencing financial hardship, debt and financial abuse, including victim-survivors whose harm arises through small business, corporate and tax systems.

FCAWA supports the submissions of both Financial Counselling Victoria (FCVic) and the Economic Abuse Reference Group (EARG) and endorses their proposed recommendations. This submission is intended to complement those contributions by focusing on the Western Australian context, particularly frontline service experience and service gaps.

National inquiries have identified that systemic failures in recognising and responding to financial abuse within corporate and tax systems compound harm.^{1 2} Addressing these failures requires coordinated reform and dedicated funding for small business financial counselling.

FCAWA has previously identified the lack of a sustained, specialist pathway for small business owners experiencing financial hardship as a critical gap in Western Australia, including in pre-budget advice to the WA Government.³ Additionally, in regional WA, the defunding of Rural West's *Regional Small Business Financial Counselling Program* has reduced access to dedicated financial counselling for non-metropolitan small business owners, leaving many without sustained support.⁴

FCAWA has highlighted that people affected by business-related financial harm often delay seeking assistance, may not recognise financial counselling as relevant to their circumstances, or only engage once matters have reached crisis point.³ This gap is particularly acute for victim-survivors whose financial abuse is perpetrated through business and tax systems. In this context, FCAWA notes that while Treasury's emphasis on victim-survivor safety, system integrity and proportionality is welcome, legislative reform alone will not prevent coercion. Although strengthening director consent and identity verification processes is necessary, national inquiries demonstrate that perpetrators often rely on intimidation, impersonation and professional intermediaries to bypass formal safeguards.^{1 3}

The Small Business Debt Helpline provides important information and options to small business owners but does not offer ongoing casework or representation. In Western Australia, victim-survivors are often left to self-advocate through complex matters and systems without ongoing support, while experiencing, or recovering from, financial abuse. Research by the Centre for Women's Economic Safety highlights that recovery from financial abuse is often prolonged and occurs alongside ongoing engagement with formal systems, compounding harm where accessible and trauma-informed supports are unavailable.⁵

In this context, pathways for addressing coerced directorships must therefore be trauma-informed, non-adversarial, and capable of operating without requiring victim-survivors to engage with perpetrators or risk repeated re-traumatisation. Women's Legal Services Australia has similarly documented that victim-survivors of financial abuse

¹ Parliamentary Joint Committee on Corporations and Financial Services, *Financial abuse: an insidious form of domestic violence* (2024), pp. 140–142.

² Inspector-General of Taxation and Taxation Ombudsman, Review into the identification and management of financial abuse within the tax system (2025).

³ Financial Counsellors' Association of Western Australia, *Pre-Budget Submission 2026–27* (October 2025), submitted to the Western Australian Government

⁴ Rural West, Regional Small Business Financial Counselling Program – this service is currently closed due to funding ending (2025), accessed at 17/12/2025, <https://www.ruralwest.com.au/programs/drought-communities-small-business-support>

⁵ Centre for Women's Economic Safety, *Submission to the Parliamentary Joint Committee on Corporations and Financial Services inquiry into financial abuse* (2024).

frequently encounter fragmented and non-responsive systems, requiring them to navigate legal and financial processes while still experiencing the impacts of abuse.⁶

Financial counsellors in Western Australia are increasingly assisting clients whose personal financial hardship is directly linked to business structures and liabilities created through coercion, fraud or abuse. Clients often have little or no understanding that they have been appointed as directors, or of the obligations attached to that role.^{1 8}

The impacts of coerced directorships are experienced at the individual level, including through tax enforcement, debt recovery, insolvency, housing instability and loss of income support. National evidence indicates that these matters rarely come to light at the point of appointment and are more commonly identified years later, when enforcement action commences and significant liabilities have already accrued.¹

In WA, coerced directorships frequently intersect with personal guarantees obtained through coercion and tax debts arising from unpaid PAYG withholding, GST and superannuation. The resulting harms extend beyond financial loss and commonly include forced bankruptcy, exclusion from housing and employment, disruption to recovery from family violence, and long-term economic insecurity.^{1 3}

By the time clients seek assistance, they commonly have no access to company records, limited understanding of directors' duties, and no financial benefit from the business. Similar issues have been identified by the National Tax Clinic Program, which reports that victim-survivors engaging with tax systems frequently have a severely compromised capacity to understand and respond to complex obligations arising from business structures they did not control.⁷

Financial counsellors report that, in practice, bankruptcy is often perceived by clients as the only recourse option, not because the liabilities are legitimate, but because existing systems are inaccessible, fragmented and insufficiently trauma-informed to enable effective challenge.⁸

These outcomes are compounded in Western Australia by significant gaps in accessible support. While financial counsellors can assist individuals to understand liabilities, negotiate with creditors and engage dispute resolution processes, financial counselling services currently do not have dedicated funding and are not resourced to provide the needed casework on complex business-related debts. Generalist funding remains primarily focused on consumer credit and personal debts, despite the increasing intersection with business and tax systems.

In closing, FCAWA urges Treasury to ensure that reforms addressing coerced directorships are accessible, implementable and supported by frontline services. For victim-survivors in Western Australia, meaningful change will depend not only on legislative reform, but on early detection, practical pathways, and sustained investment in specialist support for business-related financial abuse.

FCAWA welcomes the opportunity to continue contributing a WA perspective as this reform agenda progresses.

This submission is supported by



⁶ Women's Legal Services Australia, *Submission to the Parliamentary Joint Committee on Corporations and Financial Services inquiry into financial abuse* (2024).

⁷ National Tax Clinic Program, *Submission to the Parliamentary Joint Committee on Corporations and Financial Services inquiry into financial abuse* (2024).

⁸ Economic Abuse Reference Group, *The weaponisation of business and tax systems as a tool of financial abuse* (2025).

Annexure A

Case Examples

Case example 1

A woman in her mid-60s, receiving the Disability Support Pension, was referred for assistance with court-ordered outstanding tax returns. It emerged that she had been listed as a director of a small business operated with her husband for several years, despite having no understanding of director obligations and likely undiagnosed cognitive impairment. She reported signing documents provided by an accountant without comprehension, believing the role offered protection rather than risk. She only became aware of her obligations after enforcement action commenced, by which time she was living in social housing and experiencing significant hardship.

Case Example 2

A woman in her 50s disclosed long-term financial, verbal and physical abuse by her former husband. During the relationship, she was pressured to enter a family partnership and listed as a director for tax purposes, without understanding the implications. Following separation, she discovered joint liability for unpaid GST and wages, despite having no involvement in the business. The client viewed this harm as minor compared to other abuse experienced and did not formally report it.

Case Example 3

A man in his early 70s, an age pensioner living in remote WA, lent money to an acquaintance who later persuaded him to become a company director. The client had no business experience and did not understand the risks. Other directors were later removed from records, leaving him listed as the sole director without his knowledge. He subsequently received notices from the ATO and legal representatives advising he was liable for approximately \$2 million in company tax debts. The client has no assets, no capacity to repay, and had already been declared bankrupt in relation to other company debts.

Further Information

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Our Vision

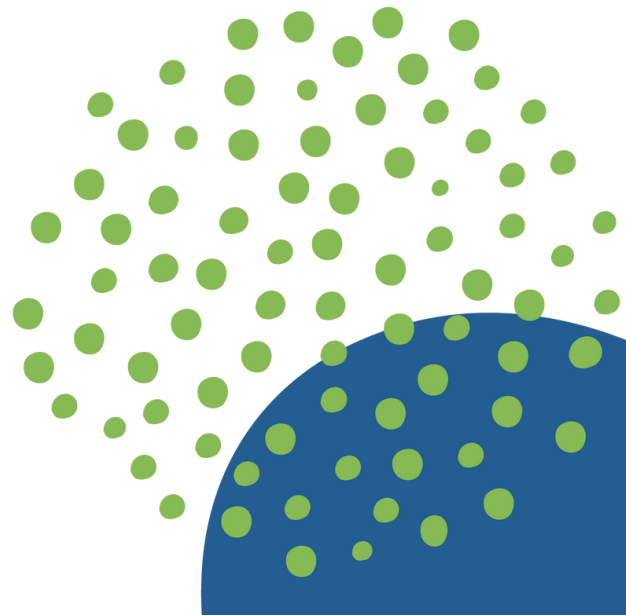
Financially resilient Western Australians with reduced financial hardship.

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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OF WESTERN AUSTRALIA**

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