Working with Women Alliance

Combatting financial abuse perpetrated through coerced directorships

Submission to Treasury

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Submitted by
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Acknowledgment of Country

The Working with Women Alliance acknowledges the Traditional Custodians of the land on which we work and live.

We pay our respects to Aboriginal and Torres Strait Islander Elders past and present, and we value the enduring connection Aboriginal and Torres Strait Islander people have to this land.

We value Aboriginal and Torres Strait Islander histories, cultures, and knowledge.

About WwWA

The Working with Women Alliance (WwWA) represents two key portfolios: National Women's Safety (NWS) and National Women's Equality (NWE).

The WwWA connects the critical areas of gender-based violence prevention and the advancement of women's economic equality and leadership, bridging these important policy fields for greater impact.

We work with members and stakeholders, including the Australian Government, to provide expertise and advice on gender equality and women's safety.

Executive Summary

The Working with Women Alliance (WwWA) welcomes Treasury's recognition of coerced directorships as a form of financial abuse and is grateful for the opportunity to consult on policy options to reduce the prevalence and impact of coerced directorships. This consultation represents critical and timely reform that aligns with the commitments in the National Plan to End Violence against Women and Children 2022-2032 and broader government commitments to addressing economic abuse. However, effective reform will require more than incremental adjustment. It must address the structural conditions that allow abuse to occur and ensure that systems designed to promote economic activity do not inadvertently facilitate harm. This submission supports a reform approach grounded in four core principles:

Prevention through Informed Consent and System Design

Protection from Inappropriate Liability for Victim Survivors

Accountability for Perpetrators and Misuse of Corporate Structures

Trauma Informed Implementation and Regulatory Practice

Recommended Reform Approach

Prevention through Informed Consent and System Design

Direct appointment and registration processes should be strengthened to require clear, verifiable, and informed consent. Safeguards must recognise coercion, fear and control as material risks within the appointment processes, rather than treating non-compliance as individual error. Prevention should be embedded at the point of system interaction not retrofitted after harm has occurred.

Protection from Inappropriate Liability for Victim Survivors

Corporate, tax, and insolvency frameworks must provide clear and accessible protections that prevent victim survivors from being liable for conduct arising from coercion or abuse. Any defences or relief mechanisms must be practical, trauma informed, proportionate, and should not rely on narrow evidentiary thresholds that are unrealistic for people living in violence.

Accountability for Perpetrators and Misuse of Corporate Structures

Reforms must shift risk and consequence away from victim survivors and towards those who have deliberately misused corporate and tax systems to perpetrate abuse. This includes stronger compliance settings, improved information sharing between regulators, and enforcement mechanisms that recognise financial abuse as a serious integrity issue.

Trauma Informed Implementation and Regulatory Practice

Legal reform will only be effective if it is implemented consistently and safely. This requires clear guidance for regulators, training to support identification of coercion and abuse and referral

pathways to specialist legal and financial support. Victim survivors should not be required to navigate complex systems or repeatedly disclose trauma to access protection.

Overarching Recommendations

Coerced directorships sit at the intersection of corporate regulation and tax administration. Addressing them is essential not only to systems of integrity, but to fairness, safety, and economic equality. Treasury has a significant opportunity to lead reforms that close known loopholes to prevent further harm and ensure Australia's financial systems are not weaponised against victim survivors. The WwWA recommends to Treasury:

1. Strengthen director appointment and registration processes to ensure genuine and informed consent.
2. Establish clear statutory protections to prevent inappropriate liability for victim survivors.
3. Ensure accountability is directed toward perpetrators who misuse corporate structures.
4. Improve coordination and information sharing across regulators.
5. Embed trauma informed implementation, guidance and evaluation.

Key Considerations

Definition, evidentiary thresholds and the civil criminal boundary

Reform must also clearly identify how coercive control is defined for the purpose of civil and administrative outcomes, particularly where those definitions may differ from state and territory criminal offences. Aligning with The National Principles to Address Coercive Control in Family and Domestic Violence (the National Principles) would provide the shared understanding of coercive control that is required for this approach. If federal definitions of coercive control are adopted for corporate, tax or insolvency decision making, there must be clear expectation setting that a finding sufficient to support a civil or administrative outcome such as liability relief, debt wavier, or regulatory discretion does not and should not imply the threshold for a criminal offence has been met. Conflating the two risks could potentially undermine victim survivor confidence and create a belief that seeking financial protection may trigger a criminal process. Clear guidance will be needed to delineate these boundaries, ensure consistent application across regulators, and provide certainty that accessing civil remedies will not expose victim survivors to unintended legal consequences or unrealistic expectations about criminal prosecution