



FCVic

Financial Counselling
Victoria Inc.

Financial Counselling Scope of Practice

July 2021

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ACKNOWLEDGEMENT OF COUNTRY

FCVic acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the lands on which our organisation is based. We pay our respects to their Elders, past and present, and to the Elders of other Aboriginal and Torres Strait Islander communities throughout Victoria and Australia.

We acknowledge that sovereignty was never ceded.

1. INTRODUCTION

This Financial Counselling Scope of Practice has been developed with information from financial counselling peak bodies, Financial Counselling Victoria (FCVic) and Financial Counselling Australia (FCA), financial counselling resources and training manuals, and drawing on the expertise of the financial counsellors who form the FcVic Professional Standards Committee.

The Scope has been developed to provide guidance for financial counsellors and financial counselling agencies to help ensure clarity and consistency about professional boundaries and what can be provided in delivering financial counselling services to the Victorian community. Financial counselling must be provided as a free, confidential and independent service to people experiencing or at risk of financial hardship.

The Scope will be reviewed periodically to maintain its currency as the financial counselling sector changes and develops.

2. FINANCIAL COUNSELLING REGULATORY FRAMEWORK

Financial counsellors are qualified professionals employed by financial counselling agencies to provide information, advice, assistance, advocacy and support to people experiencing or vulnerable to financial difficulty and/or with debt problems, to empower them to make informed choices.

Financial counsellors have extensive knowledge in a range of areas of law and policy including consumer law, credit law, debt enforcement practices, the bankruptcy regime, hardship policies and practices in a range of industries, internal and external dispute resolution schemes and government concession frameworks, and other specific areas. Financial counsellors are also highly skilled in working with people experiencing vulnerability in a supportive and empowering framework. A fundamental tenet is a focus on person-centred practice. This places the person at the centre of the engagement with control over the process and decisions.

Financial counsellors work under the terms of [ASIC Corporations \(Financial Counselling Agencies\) Instrument 2017/792](#) ("the ASIC Instrument") which, along with professional body standards, requires financial counselling services to be free of charge, without remuneration, independent (free from conflicts), non-judgemental, and confidential. To satisfy the conditions of the ASIC Instrument, financial counsellors must be appropriately trained and eligible to be a member of their state or territory financial counselling association.

Importantly, a financial counsellor is **NOT** a:

- > financial planner
- > financial advisor
- > accountant
- > finance broker
- > legal advisor
- > business advisor
- > therapeutic counsellor
- > case manager

The [National Consumer Credit Protection Act 2009](#) restricts the use of the terms, "financial counsellor" and "financial counselling" and terms of similar meaning. The restriction means that only financial counselling agencies who meet the exemption from an Australian Credit Licence (i.e. the ASIC instrument) can use these restricted terms.

3. PROFESSIONAL STANDARDS

To practice as a financial counsellor in Victoria, an individual must meet and maintain the professional standards requirements set out by FCVic. These include the standards outlined in the [National Standards for Membership and Accreditation](#) (“the National Standards”). The National Standards have been developed by FCA in conjunction with its state peak member bodies, and adopted in Victoria by FCVic.

The National Standards require individuals to hold, or be actively studying, the Diploma of Financial Counselling (“the Diploma”) to practice as a financial counsellor and comply with the [Australian Financial Counselling Code of Ethical Practice](#).

To meet professional standards and maintain currency of practice, all financial counsellors are required to participate in continuous professional development (CPD) and professional supervision as outlined in the National Standards. CPD encompasses learning in three key areas: ethics, knowledge (i.e. technical) and skills.

FCVic is responsible for monitoring and maintaining professional standards, and has the power to place conditions or requirements on members to address professional standards issues.

4. THE ROLE

The role of the financial counsellor is broad and encompasses the elements of casework, outreach, community education and system advocacy. An outline of the role is given under the headings below. A comprehensive summary of the elements of the financial counsellor role is set out in the qualification framework of the Diploma of Financial Counselling. See: **Appendix 1**.

Financial counsellors work in different agency/client-cohort contexts and the specific role they play in those contexts may not include all the elements of the role listed below.

Advice giving

Financial counsellors are professionals, and part of their professional role is to apply specialist knowledge to a client's situation to inform and empower client decision-making. In many situations this takes the form of giving advice.

The licence exemptions under which financial counsellors work define limits of advice-giving in relation to financial products and credit instruments¹.

Skills and knowledge

Skills and knowledge required to practice as a financial counsellor are outlined and first learned through undertaking the Diploma of Financial Counselling. This required qualification sets the scene for the development of key skills and knowledge outlined below. The new financial counsellor will learn all of the skills below from a beginner level and should continue to consolidate and expand this knowledge throughout their financial counselling career.

The Diploma of Financial Counselling can be delivered in a formal and informal traineeship model, which involves significant learning in the workplace. This form of education can only occur if the student worker is actively supported in that workplace by an appropriately experienced and qualified financial counsellor.

¹ See Regulatory Guide RG 121: Doing financial services business in Australia, cl.121.25 and 121.6: <https://download.asic.gov.au/media/3336163/rg121-published-25-august-2015.pdf> and ASIC Corporations (Financial Counselling Agencies) Instrument 2017/792: [ASIC Corporations \(Financial Counselling Agencies\) Instrument 2017/792](https://www.asic.gov.au/asic/corporations-instrument-2017-792)

Financial counsellors should demonstrate specific skills and technical knowledge. This includes, but is not limited to full understanding and application of the following:

Skills:

- > counselling, interview and assessment skills
- > advocacy skills – individual and systemic
- > ability to present complex information to the client
- > ability to identify complex problems
- > application of emotional intelligence and well-developed interpersonal skills
- > negotiation skills
- > active listening and supportive questioning
- > community development skills
- > research and information gathering skills
- > problem-solving approach

Knowledge of:

- > legislative frameworks relating to consumer protections, e.g., credit law, key provisions related to debt, liability, recovery processes, and related legal processes
- > fines, infringements and court processes
- > internal and external dispute resolution processes in most major industry sectors, especially financial services, utilities (including energy, water, telecommunications)
- > the intersection between legal and policy domains, and how to make legal and moral rights practically accessible through accessing formal and informal (discretionary) response(s) from government and industry bodies
- > systems, communities and the role of other professionals to facilitate client referrals
- > ethics and boundaries
- > comorbidities and additional specific client needs, e.g. use of interpreter services or engagement with holistic case worker

Administrative skills

- > best practice administration skills and record keeping
- > excellence in telephone, email and letter writing skills
- > computer literacy, including use of common software programs including word processors, spreadsheets, and email programs, e.g., Microsoft Office programs such as Word, Excel and Outlook
- > proficiency in data entry, case note and report writing
- > time management skills

Values and ethics

A financial counsellor must provide a professional and ethical service to the community and should utilise skills that align with the following values:

- > confidentiality
- > non-judgemental approach
- > respect for the client's choices
- > strengths-based approach
- > client-centred approach
- > holistic approach
- > nonbiased, not conflicted approach
- > empathy
- > reflective practice

The financial counsellor's stages of learning and experience are reflected in the membership categories of the state financial counselling associations: Student Member, Associate Member and Full Member. Definitions that relate to these categories are outlined in the [FCVic Membership Policy](#).

Financial counsellors often work in specialist areas such as family violence, gambling, mental health rural financial counselling, small business, elder abuse prevention, natural disasters and other areas. In such situations, specialist training is made available to advance the skills of the financial counsellor practising in these areas. This training is generally not compulsory; however, it improves outcomes for both financial counselling services and the client. Further skills can be obtained in practice and with support from casework supervision. See **7. Specialisations**.

A financial counsellor can develop additional skills to provide professional supervision to other financial counsellors. This requires undertaking education to become a professional supervisor. State associations ensure that financial counsellors have appropriately trained professional supervisors through annual demonstration of currency in professional supervision.

5. CONTEXT OF PROFESSIONAL PRACTICE

Financial counsellors work in a wide variety of organisations and contexts to provide information, assistance, support and advocacy to people experiencing or vulnerable to financial difficulty, or who have problems with debt. The richness and diversity of the role allows for dynamic practice that can complement and inform other professional and community services.

Financial counsellors may work within, or alongside, community legal centres, health and aged-care services, disability services, family violence services, Gamblers' Help services, alcohol and other drug services, homelessness services, education services, or a range of other settings to enhance service delivery for clients and the community.

A financial counsellor can provide a variety of information and approaches, including but not limited to:

- › options in relation to the client's financial situation including explanation of the advantages, disadvantages and/or consequences of each option
- › information about debt issues and consumer financial rights
- › information on insolvency – particularly personal bankruptcy – and its consequences
- › advocacy and support for completion of applications for Utility Relief Grants, superannuation hardship claims, bankruptcy, redress scheme(s), insurance claims, Centrelink payments, tenancy related issues, hardship assistance and other grants
- › support for clients to access the Work and Development Program with Fines Victoria
- › advocacy negotiation when required with the client's consent
- › support to the client to access internal and external dispute resolution processes
- › contribution to systemic advocacy or other community engagement actions
- › information obtained in relation to the client's financial situation with consent for the purposes of advocacy and negotiation
- › ongoing support to the client and working at their pace
- › secondary consultations as needed
- › participation in case management for client support
- › referrals to other service providers
- › collaboration with other service providers for the betterment of the client
- › with experience – provision of mentoring and support to other financial counsellors for the betterment of the client/s
- › education about financial counselling to other professionals

6. BOUNDARIES

Scope of practice refers to defining an area of practice and ensuring that boundaries of practice are managed and maintained within the financial counselling context.

Any financial counsellor should only work within the limits of their knowledge and education, and seek guidance or a referral where a matter is beyond their individual capabilities. An individual's scope can expand over time through training and experience.

7. SPECIALISATIONS

Financial counsellors may be employed in a range of specialist roles including but not limited to:

- > Disaster Recovery – Bushfire/flood
- > Family Violence (including elder abuse prevention)
- > Gambling
- > Mental health / Alcohol and Other Drug services
- > Student financial assistance networks (universities)
- > Small Business
- > Rural Financial Counselling

A **Rural Financial Counsellor** is a practitioner engaged by a rural financial counselling service to provide free support services to primary producers and rural small businesses in financial difficulty. They work under the terms of [ASIC legislative instrument 2017/793](#), which differs from the legislative instrument that applies to generalist financial counsellors. Rural financial counsellors do not engage in specific financial product advice.

Rural financial counsellors have generally undertaken the Diploma of Financial Counselling with the alternative elective units for rural specialisation drawn from the Business Training package. The units cover: monitoring financial reports; business profit and loss; reading financial statements; developing and reviewing a business plan; developing climatic risk strategies; and farm succession planning.

Appendix 1

FINANCIAL UNITS

The following is a summary of key aspects of the role of the financial counsellor as set out in the qualification framework of the Diploma of Financial Counselling (CHC51115) for the three financial units: CHCFIN001, CHCFIN002 and CHCFIN003.

Knowledge summary

Legal and ethical considerations (national, state/territory) for financial counselling, and how these are applied in organisations and individual practice:

- codes of conduct/practice
- conflict of interest
- duty of care
- human rights
- informed consent
- practice standards
- practitioner/client boundaries
- privacy, confidentiality and disclosure
- records management
- children in the workplace
- continuing professional education
- discrimination
- mandatory reporting
- privacy, confidentiality, and disclosure

specific legislation impacting financial counselling, including:

- advocacy legislation
- [ASIC Corporations \(Financial Counselling Agencies\) Instrument 2017/792](#) and how this applies to the work of financial counsellors and their agencies
- [ASIC Credit \(Financial Counselling Agencies\) Instrument 2017/793](#) and how this applies to rural financial counsellors
- work role boundaries – responsibilities and limitations
- work health and safety
- organisation policies and procedures relating to the provision of information

consumer issues covered by legislation, regulations and instruments, relating to:

- *National Consumer Credit Protection Act 2009*
- National Credit Code
- social security law
- taxation law
- fair trading acts
- internal and external dispute resolution mechanisms (IDR and EDR)
- consumer credit insurance
- fringe lending
- bankruptcy and debt agreements

Rights and responsibilities of workers, employers, and clients:

- scope and limitations of financial counsellor role
- agency policies and procedures for resource development
- work health and safety
- client-centred, strengths-based approaches to financial counselling and other counselling models consistent with these approaches
- understanding government programs
- application of practice standards

Types of financial information required to assess a client's financial situation, including:

- statement of financial position
- income statements (including Centrelink)
- liability and debt statements
- complex needs assessment
- legal documents and contracts

Income sources, entitlements and associated issues relating to:

- Centrelink
- taxation
- child support
- superannuation insurances
- income protection insurance
- small business
- work choices
- wages
- welfare rights

- compensation (WorkCover, TAC, injury and accident) insurance
- family trusts
- other income sources

Expenditure support [grants] relating to:

- utilities
- housing
- cost of living
- emergency relief and other assistance

Types of debt and their features, including:

- secured and unsecured credit
- joint/relationship debts
- guarantors and co-borrowers
- consumer leases
- fines and infringements
- government related debts

Debtor options, including:

- formal and informal arrangements
- hardship arrangements
- Debt Waiver
- debt agreements
- debt recovery
- Acts of bankruptcy
- Release of superannuation on compassionate or other grounds
- Courts, tribunals, and legal processes
- tools to access grants for energy relief
- complaints to dispute resolution schemes
- use of codes of practice in advocacy
- use of Credit Law tools in advocacy letters
- use of Australian Consumer Law (ACL) in advocacy letters
- standard legal letters developed by financial counselling sector

Models for preparing financial statements and budgets:

- use of Financial Counselling Australia/Australian Bankers Association (ABA) agreed statement of financial position
- use of Money Smart resources (ASIC)
- use of National Debt Helpline resources for each state/territory, phone 1800 007 007
- types of advocacy resources developed in a financial counselling context

Resource development, including:

- how to adapt resources for client use
- sourcing and developing appropriate tools to inform clients
- use of programs for consumer education
- financial statements, including:
 - » use of appropriate format agreed to by Financial Counselling Australia (FCA)
 - » appropriate advocacy letters including summarised financial information

Strategies that may assist clients in managing their finances, and their key features, including:

- assessment of the legality of debts
- identification of possible legal remedies
- development of an income and expenses statement
- development of a statement of financial position
- development of a documented action plan
- strategies for increasing income
- strategies for decreasing expenditure
- strategies for reducing credit and debt problems.

Documentation associated with casework including:

- client case notes
- income and expenses statement/s
- advocacy letters
- action plans
- file closure letters

Local networks for referral and support, including:

- legal aid
- family law
- family violence support
- welfare rights centres

- community legal centres
- specialist legal centres
- other specialist services
- mental health support services
- AOD support services
- health services
- child and family services

Characteristics of situations when client need is outside of scope of practice including:

- specific financial situations requiring specialist counselling
- indicators of related and non-related behavioural, emotional, psychological and/or physical and mental health issues
- indicators of addictive behaviour
- indicators of gambling behaviour
- referral networks and resources

Skills summary

Ability to use and apply the following:

- statement of financial position
- documented case/action plan
- researched and developed all of the following financial resources:
 - » income and expenditure statements
 - » assets and liabilities statements
 - » advocacy resources
- advocated for clients via telephone, writing [letters/ emails] and
- formal complaints to Internal Dispute Resolution (IDR)/External Dispute Resolution (EDR)
- face-to-face discussion with creditors.
- privacy, confidentiality and disclosure
- records managements
- rights and responsibilities of workers, employers and clients:
- scope and limitations of financial counsellor role

COUNSELLING UNITS

The following is a summary of key aspects of the role of the financial counsellor as set out in the qualification framework of the Diploma of Financial Counselling (CHC51115) for the four counselling units: CHCCSL001, CHCCSL002, CHCCSL003 and CHCCSL007.

Knowledge and skills summary

The financial counsellor must know and demonstrate their ability to use all of the skills outlined below to engage in the financial counselling process and bring a client to self-determination whilst protecting them from harm.

- Support clients to identify concerns and use a structured approach to counselling incorporating pre-existing information from the client file and following a structured approach to the counselling based on client needs/expectations whilst following the client story.
- Explore of the client's presenting issues and establish their nature and depth, giving attention to the possibility of underlying issues and assisting to prioritise whilst supporting clients to experience and process difficulties whilst supporting the client to be self-determining within the context of client empowerment.
- Identify indicators of client issues beyond scope of the financial counsellor role and report or refer according to presenting issue and organisation requirements.
- Explore and support options and approaches for the relationship with clients according to individual need and agree on priorities and develop a plan for counselling in collaboration with the client, ensuring that the client is fully informed about all aspects of the counselling approach and financial counselling situation.
- Support client to identify and use known and previously unknown strengths and assist clients to become aware of underlying issues where appropriate and begin to identify ways of dealing with them.
- Proactively identify and work on threats and disruptions to the counselling process.
- Review and comparison of own and client's perceptions of the process and provide suggestions and advice in response.
- Use specialist communication skills including micro and macro skills to build a relationship with the client which facilitates and supports individual decision making.
- Support client to reach decisions and address any tension between client's hopes and expectations and the reality of resource limitations and use boundaries of the counselling relationship to assist the ending process.
- Complete documentation and reporting according to organisation requirements.
- Reflect on the counselling / financial counselling process; seek professional supervision and undertake activities to build best practice through improvement.

OTHER UNITS

The following is a very brief summary of key skills which are housed in other units of the Diploma of Financial Counselling (CHC51115).

To affect best practice, it is recommended that the financial counsellor possess the following skills:

- Ability to generate the full process of systemic advocacy.
- Ability to form a community program from beginning to end; including stakeholder engagement, community facilitation, production, delivery, and evaluation of a new community program that meets a need within a community.
- Understanding of homelessness, housing, and tenancy legislation.
- Understanding and application of all principles and practices that apply to individual advocacy and diversity.
- Deep understanding of mental health, including mental illnesses, suicide intervention, trauma and responses to client with comorbid issues.