

## Financial Counselling Victoria

### Submission to the Diploma of Financial Counselling (CHC51115) Case for Change: Public Consultation

#### Executive Summary

Financial Counselling Victoria (FCVic) welcomes the opportunity to comment on the Diploma of Financial Counselling (CHC51115) Case for Change presented to the Australian Industry and Skills Committee by Financial Counselling Australia.

FCVic is the peak body for financial counsellors in Victoria, and a member organisation with over 300 individual members who have either completed or are currently completing the Diploma of Financial Counselling (CHC51115). In our role, we are responsible for supporting financial counsellors, by providing training and professional development, and for setting the standards for the profession in Victoria. As such, we see financial counsellors with a diversity of experiences, both in their professional backgrounds and their experiences as students of the Diploma.

In considering the proposed Case for Change to the Diploma of Financial Counselling, FCVic agrees with the recommendation for a review of the existing financial counselling units. However, we believe there are inadequacies in the arguments presented in the Case for Change such that without more detailed information and further consultation we are not able to fully support the following recommendations:

- the addition of two newly developed units, and
- the removal of two units from the core of the current qualification.

FCVic would require a mapped outline of the core and elective units proposed for the qualification before we would be able to confirm our support.

#### Financial Counselling units

The Diploma is the baseline qualification of every financial counsellor and sets the foundation of a financial counsellor's professional practice. While we acknowledge, as was noted in the Rationale for Change, the significant changes that have been witnessed in the sector in the years since the last review of the qualification, such changes have occurred previously (e.g., response to the global financial crisis and subsequent fire and flood disasters). FCVic maintains that the **core** role of the financial counsellor has remained stable.

We accept there is a need to review the three financial counselling units (CHCFIN001, CHCFIN002, CHCFIN003) to ensure that the context of those units, as well as the knowledge and skills evidence in the assessment outlines, are appropriate. However, we have serious concerns about the proposal to remove current core units from the qualification in favour of new and undeveloped units where little detail is known or discussed.

#### Counselling units

As indicated in the Rationale for Change, there is a growing need for more qualified financial counsellors to respond to increasing demand for service. We note from experience that when the sector requires a rapid boost to the workforce and an increase of new practitioners, the financial counselling sector recruits a large number of new students from the financial services industry and other professional backgrounds outside of the community services sector. To ensure new practitioners are equipped with the broad range of skills required to undertake the role, it is important that students develop strong counselling skills.

Through our engagement with graduates of the Diploma, we note that there are clear variations in the delivery of Diploma units between different training providers. With regard to the statement in the Case for Change that the counselling units were "not always appropriate to the financial counselling role", we hold the view that this is

actually an indication that the units have not been delivered in the context of the financial counselling role, and reflects the variation in Diploma delivery.

Additionally, we are not compelled by the evidence in the Case for Change that there is a need to remove the counselling unit (CHCCSL003) from the training package. The proposal to remove the unit “Facilitate the counselling relationship and process” appears to be an arbitrary decision, and we would require more detail as to how the skills from the unit would be fully incorporated into a proposed new unit before we could agree to support the recommendation. Instead, we advocate for more contextual delivery of the counselling units by training providers, rather than a removal or consolidation of those units.

### Small Business unit

The Rationale for Change puts forward an argument for the development of skills and knowledge for financial counsellors to support small businesses. Through recent project funding, FCVic has been heavily involved in furthering the sector’s understanding and skills around the needs of small business owners, including the development of training and resources to support the delivery of small business financial counselling. We support the idea that financial counsellors can play a valuable role in assisting small business clients. However, small business financial counselling is an emerging specialisation, and does not form part of the core role of a financial counsellor.

It is important to maintain a clear distinction between the level of knowledge and skills that a generalist financial counsellor needs in order to understand the way small business and personal finances intersect, and the detailed knowledge required to undertake this specialist role. We are concerned that by including the proposed stand-alone small business financial counselling unit, described in the Case for Change, as a core unit of the Diploma that distinction becomes considerably blurred.

We note there is a precedent in the sector regarding financial counselling specialisations. The Problem Gambling Skill Set (CHCSS00111) enables qualified financial counsellors to develop further expertise and understanding of applying financial counselling in a problem gambling context. The development of a similar skill set for small business financial counselling would provide a clear pathway for financial counsellors seeking to enhance their ability to support small business clients, beyond the role of a generalist practitioner.

We believe further consultation is necessary to explore all the options for training financial counsellors on small business matters.

### Provide Systems advocacy unit

We are not in favour of the proposal to remove the systems advocacy unit (CHCADV005) from the qualification, and we hold concerns that incorporating the systems advocacy knowledge and skills into a new unit, with no clear outline of the content of that unit, will diminish the importance of systems advocacy skills in the core role of the financial counsellor. While a financial counsellor may not have the opportunity or need to put those skills to use on a daily basis, it does not mean that systems advocacy does not form a key function in the financial counsellor’s role in addressing or preventing harm and/or disadvantage being caused to the communities they work with.

Systems advocacy elevates the issues identified through casework, and financial counsellors have been able to achieve significant reforms through the identification of systemic issues and the subsequent advocacy work that contributes to service improvements.

We are concerned by the implications in the Case for Change that suggest financial counsellors should not be the ones driving systemic change and that the responsibility is to be transferred to agencies and peak bodies. As the peak body for financial counsellors in Victoria, we rely on financial counsellors leading the cause on a number of systemic issues. We recognise the value of having practitioners with the ability to influence and advocate for social and system changes and continuous improvement.

Community development and systemic advocacy provide practitioners with more sustainable roles that are not simply focused on individual casework. Shifting the emphasis away from systemic advocacy as a core function of the financial counsellor's role will have detrimental impacts on workforce sustainability and worker wellbeing.

FCVic recently conducted research into the impacts of the intensification of work for financial counsellors<sup>1</sup>, which showed financial counsellors were more exposed to workplace stress where the role had a narrow focus on casework. As presented in the Rationale for Change, financial counselling casework has become increasingly complex. Systemic advocacy work mitigates the risks of stress and burnout for financial counsellors by providing balance to their work. It is important that this unit is retained to ensure that this key function of a financial counsellor's role is not weakened.

### Consultation

We note that our opportunity to input into the development of the Case for Change, as an industry stakeholder, has been limited. Between February 2020 and July 2021, there was no communication or update with regard to the development of the proposed changes, despite the fact that a substantial portion of the Rationale for Change refers to sector changes that occurred during that same period of time. We ask that FCVic be included as an ongoing stakeholder in subsequent discussions and consultations in the review and redevelopment of the qualification going forward.

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<sup>1</sup> *Counting the Costs: report on financial counsellor stress and work overload*, Financial Counselling Victoria, 2020, pp.11-12  
[https://fcvic.org.au/wp-content/uploads/Counting\\_the\\_Costs\\_Financial\\_Counselling\\_Victoria\\_30-01-2020.pdf](https://fcvic.org.au/wp-content/uploads/Counting_the_Costs_Financial_Counselling_Victoria_30-01-2020.pdf)