



Australian Government

CHCFIN006 Establish the financial counselling relationship

Release: 1

CHCFIN006 Establish the financial counselling relationship

Modification History

Not applicable.

Application

This unit describes the skills and knowledge required to holistically assess and respond to the immediate and ongoing needs of clients, taking into account their financial stress and responding by using a structured strengths-based and client-focused financial counselling approach.

This unit applies to financial counsellors who work in agencies and for organisations that meet the requirements for the Australian Securities and Investments Commission (ASIC) exemptions from holding a financial services or credit licence.

The skills in this unit must be applied in accordance with Commonwealth and State or Territory legislation, Australian Standards and industry codes of practice.

No occupational licensing, certification or specific legislative requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Competency Field

Financial Counselling

Unit Sector

Community Services

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes

1. Assess suitability for financial counselling services.

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

- 1.1. Identify the financial counsellor scope of role and apply to client situation.
- 1.2. Explain purpose and structure of the intake process.
- 1.3. Analyse client information to determine suitability for financial counselling.
- 1.4. Identify and address any conflicts of interest.

- 1.5. Clarify client expectations to ensure the client understanding of the financial counselling process.
 - 1.6. Identify the information the client may need to bring with them, or have available, for an appointment with a financial counsellor.
2. Commence financial counsellor engagement with the client.
 - 2.1. Build rapport with the client.
 - 2.2. Explain what a financial counsellor does.
 - 2.3. Explain the client agreement and obtain informed consent from client.
 - 2.4. Explain the client's right to confidentiality and privacy and limitations.
 - 2.5. Explain the rights and responsibilities of the agency.
3. Identify client situation and issues.
 - 3.1. Use a strengths-based approach to understand all factors and risks that may impact on the client situation.
 - 3.2. Implement screening and risk assessment processes.
 - 3.3. Respond to identified risk.
 - 3.4. Support client to identify their primary concerns in relation to the presenting issues and to prioritise concerns on which to work.
 - 3.5. Source and review available information about client income and expenses.
 - 3.6. Review and use client information to inform preparation of a statement of assets and liabilities for the client.
 - 3.7. Work with the client to prepare a statement of financial position.
 - 3.8. Collect information on each debt, including whether the debt is legally owed.
 - 3.9. Examine and analyse the information with the client to identify areas for further investigation and clarify status of debts.
4. Identify the impact of complex needs.
 - 4.1. Establish if the client has complex needs.
 - 4.2. Identify how the client's complex needs have impacted on their decision making.
 - 4.3. Identify how complex needs impact the client's financial position.
 - 4.4. Adjust practice to mitigate personal and financial risks identified.
5. Provide tools and information to build client financial capability, resilience and wellbeing.
 - 5.1. Support clients to improve their financial capability by using an approach that focuses on their strengths.
 - 5.2. Assist the client to review and document their approach to managing living expenses.
 - 5.3. Provide additional information to support the client in

- managing living expenses.
- 5.4. Provide information to address any gaps in the client's knowledge about their financial and consumer protection rights.
- 5.5. Provide information to assist client to understand key aspects of their financial position and impact of debt.
- 6. Use a strengths-based approach.
 - 6.1. Communicate information in a manner that responds to the emotional state of the client.
 - 6.2. Establish and observe boundaries with clients.
 - 6.3. Implement self-care processes to manage trauma related to client experience.
- 7. Make referrals.
 - 7.1. Identify areas for ongoing support and opportunities for specialist referral to other agencies or professionals.
 - 7.2. Proactively identify and explain support services available to the client.
 - 7.3. Make an appropriate referral with client consent if client need is identified as outside scope of own work role.
 - 7.4. Seek advice or secondary consultation if necessary.

Foundation Skills

Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.

SKILLS	DESCRIPTION
Reading skills to:	source and interpret information from a range of complex documents.
Writing skills to:	generate documentation as per organisational guidelines in terms of format, style, structure, intended audience and purpose.
Oral communication skills to:	- ask open and closed questions to gather and confirm information from interviewee - participate in a variety of spoken exchanges with others using clear and direct language to convey, request and confirm understanding of information.
Numeracy skills to:	- read and interpret numerical data from familiar and unfamiliar financial reports. - use routine and complex calculations.
Learning skills to:	use a proactive learning approach.
Problem-solving skills to:	identify and analyse discrepancies in information gathered.

Technology skills to:

- use main features and functions of technology and software programs to complete work tasks.

Unit Mapping Information

Supersedes and is not equivalent to CHCFIN001 Facilitate the financial counselling process.

Links

Companion Volume implementation guides are found in VETNet - -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5e0c25cc-3d9d-4b43-80d3-bd22cc4f1e53>

Assessment Requirements for CHCFIN006 Establish the financial counselling relationship

Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- conduct initial consultation meeting for at least five clients according to organisational practice
- for the above clients establish client file according to organisational requirements including:
 - confirm client details
 - determine financial position or situation
 - assess capacity to meet financial obligations
 - identify additional information for follow up meeting
 - confirm understanding of client and service responsibilities
- perform the activities outlined in the performance criteria of this unit during a period of 220 hours of work in a financial counselling agency that has met the requirements for the Australian Securities and Investments Commission (ASIC) exemptions from holding a financial services or credit licence or in a simulated environment. These 220 hours may be applied collectively across all units of competency that include the requirement for workplace hours for the purposes of assessment.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:

- financial counselling role, including:
 - giving advice to and sharing information with clients
 - representing client and acting on the client's behalf
 - duty to act in the client's best interests
 - ethical obligations, including as set out in the Australian Financial Counselling Code of Ethical Practice
 - having expertise in a range of areas relating to financial difficulty
- financial counsellors are not:
 - financial planners or accountants
 - providers of emergency relief and material aid
 - finance brokers

- legal advisors or solicitors
 - therapeutic counsellors
 - business advisors
 - tax agents
- agency intake and screening processes, including:
 - risk assessment
 - screening tools
 - referral protocols
 - situations where the client is outside the scope of the service, such as the need for specialist counselling
- criteria for assessing suitability for service, including:
 - individual factors:
 - safety
 - capacity to make decisions
 - urgency/assets at risk, other vulnerabilities
 - agency intake criteria:
 - funding agreement requirements
 - any resource constraints
- situations where conflicts can arise and how they are managed so that the financial counsellor is clear about who is the client:
 - involving parties with conflicting needs
 - involving a current client and a former client
 - involving the client and the financial counsellor's interests
 - providing services to families or couples
 - providing services where there is a power of attorney
 - processes for undertaking conflict checks
- rights and responsibilities of workers, employers and clients
- relevant client documents, hard copy or online,) such as:
 - income sources (e.g. Centrelink income statements)
 - liability and debt statements
 - legal documents and contracts
 - bills
 - support letters such as medical or other
- client-centred, strengths-based approaches to financial counselling and other counselling models consistent with these approaches
- aspects of informed consent including:
 - privacy statement
 - checking for understanding
 - varying or ending agreement

- general principles in the law in relation to confidentiality and privacy and any agency policies that may interact with these
- exceptions to confidentiality including:
 - client consent
 - being compelled by law e.g. subpoena
 - prevention of harm to client or another person
 - mandatory reporting
 - other reasons specific to states and territories
 - children in the workplace
- complex needs that may impact advice given:
 - mental illness
 - addictions including:
 - substance abuse, gambling
 - trauma including:
 - family violence, elder abuse, victim of other violence, child abuse
 - disability
 - age
 - poverty
 - homelessness
 - cultural background
- income sources such as:
 - wages and salary
 - Centrelink
 - child support
 - rental or board
 - superannuation income stream or lump sum
 - insurance payment including Total and Permanent Disability (TPD) and income protection
 - business income
 - compensation including workers compensation, injury and accident
 - other income sources
- expenditure support relating to:
 - utilities
 - housing
 - cost of living
 - emergency relief and other assistance:
- key aspects of financial positions, including:
 - income
 - expenses
 - liabilities

- assets
- Surplus/ deficit
- Cash flow for small business
- equity
- tools for collecting financial information:
 - income and expenses including the Australian Securities and Investments Commission and Money smart website
 - statement of financial position
 - intake and assessment form
 - financial statements for small business
 - creditor's list
 - assets and liabilities statements and records
- key information about a debt including:
 - how the debt first came about
 - legal framework applied to it at the time
 - age of the debt
 - contract
 - stage of collection of the debt and enforcement activity
 - legal liability for the debt or ownership of the debt
- resources for clients:
 - use of Money Smart resources (ASIC)
 - use of National Debt Helpline website
- types of debt and their features, including:
 - secured or unsecured
 - unsecured credit products including credit cards, personal loans, Buy Now, Pay Later (BNPL), wage advance, Small Amount Credit Contracts (SACCs) and Medium Amount Credit Contracts (MACCs)
 - consumer leases
 - fringe lenders and predatory lenders
 - joint relationship debts
 - guarantors and co-borrowers
 - tax debts
 - fines and infringements
 - government related debts
- National and State or Territory legislation, codes of practice and guidelines including but not limited to:
 - consumer protection laws
 - regulatory guidance and industry codes affecting consumers and small business
 - National Consumer Credit Protection Act 2009 (particularly Schedule 1, National Credit Code and the provisions relating to responsible lending, hardship requirements)

- Competition and Consumer Act 2010 (particularly Schedule 2, The Australian Consumer Law)
- fair trading acts
- social security law
- taxation law
- Privacy Act and credit reporting code
- Bankruptcy Act 1966
- ASIC regulatory guides, ASIC/ACCC debt collection guidelines
- Banking Code of Practice, Customer Owned Banking Code of Practice, Telecommunications Consumer Protection Code, energy codes, Buy Now Pay Later Code of Practice
- Open data and the consumer data right
- agency protocols surrounding referral and secondary consultations
- local networks for referral and support, including and not limited to:
 - legal aid
 - family law
 - welfare rights centres
 - community legal centres
 - specialist legal centres
 - mental health support services
 - alcohol and other drug (AOD) support services
 - health services
 - child and family services
 - small business advisory services
 - family violence support services.

Assessment Conditions

Skills must be demonstrated in the workplace or a simulated workplace environment. Where a simulated environment is used for the purposes of assessment, simulations and scenarios must be included that provide the full range of context and situations that would occur in the workplace.

Assessment must ensure access to:

- suitable facilities, equipment and resources, including:
 - client information
 - organisational policies, procedures and resources
 - interactions with clients
 - where necessary - scenarios and case studies that involve complex financial situations and problem solving
 - interaction with other people.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

Links

Companion Volume implementation guides are found in VETNet - -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5e0c25cc-3d9d-4b43-80d3-bd22cc4f1e53>