SKILLSIQ

CAPABLE PEOPLE MAKE CLEVER BUSINESS

Draft 2 – Diploma of Financial Counselling

Validation Guide

December 2021

Contents

Draft 2 – Diploma of Financial Counselling 1
Introduction 3
Project Background 3
Draft 1 4
Draft 2 Validation and Timelines 4
Webinars 5
Online Feedback Forum 5
About this Validation Guide 5
Contact Details 6
Summary of Changes – Draft 1 to Draft 2 7
General Issues 7
Additional Changes to Specific Units 8
Units of Competency 8
Titles 8
Application Statements 8
Prerequisites 8
Elements and Performance Criteria (PCs) 8
Foundation Skills 9
Performance Evidence 9
Knowledge Evidence 9
Assessment Conditions 9
Questions for Consideration 10
CHCFIN006 Establish the financial counselling relationship 10
Suite of Units of Competency 10
Titles and Application Statements - Units of Competency 10
Elements and Performance Criteria 10
Performance Evidence 10
Knowledge Evidence 10
Assessment Conditions 11
Draft 2 Qualification and Units of Competency 12
Qualification 12
Units of Competency 12
Determination of Equivalence 14
Appendix A: Training Package Unit of Competency Terminology Guide 18

Introduction

SkillsIQ is a not-for-profit Skills Service Organisation (SSO) supporting industry in developing standards to equip the 'people-facing' workforce with the right skills for jobs now and into the future. SkillsIQ is funded by the Department of Education, Skills and Employment to support the Industry Reference Committees (IRCs) responsible for the development and maintenance of Training Packages in the following sectors:

- Community Services
- Health
- Local Government
- Public Sector
- Floristry
- Hairdressing and Beauty Services
- Funeral Services
- Retail Services
- Sport, Fitness and Recreation
- Tourism, Travel and Hospitality.

Project Background

The update of the nationally recognised existing Financial Counselling Qualification, four existing Units of Competency and the development of two new Units of Competency packaged within the CHC Training Package has been commissioned by the Australian Industry and Skills Committee (AISC) under the direction of the Client Services IRC.

Core skills and knowledge required for the Financial Counselling job role have changed since the design of the current Qualification. Financial counsellors are required to have completed or be enrolled in the *Diploma of Financial Counselling* in order to work in the profession. The update of the Qualification therefore plays a crucial role in the development of the financial counselling workforce.

The key changes that have occurred in recent years in terms of the operating and regulatory environment of the financial counselling sector, which have prompted changes to the requirements of the job role, are as follows:

The 2018 Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The Commission recommended better recognition of the value of the financial counselling sector and more support for the sector, with a substantial increase in funding from the government.

2019–2020 bushfires and the impact of the COVID-19 pandemic. These two massive disrupters led to an increase in financial hardships, leading in turn to increased demand for financial counsellors to respond to the complex needs of clients and to assist vulnerable consumers.

Workforce pipeline shortage. Data on the financial counselling workforce has revealed that workers in the sector are ageing and that the government's commitment to adequate funding for financial counselling services will be vital in order to attract and retain well-trained counsellors into the future.

As a result of these governmental and operational changes to the sector, the Diploma needs to be updated to reflect the following new skills and knowledge required by financial counsellors:

Support for small business - All financial counsellors will need to have skills and knowledge to assist small businesses in order to meet the significant increase in demand for counselling services in response to growing need, with many small businesses struggling with debt.

Complex needs - Financial counselling casework has become increasingly complex in the past few years in terms of adjusting all aspects of service provision to prospective clients whose lives may have been directly or indirectly affected by mental health or addiction issues, problem gambling, or the effects of family violence.

Technical Advisory Committee

To inform the update of the *Diploma of Financial Counselling* Qualification, four existing Units of Competency and the development of two new Units of Competency, a Financial Counselling Technical Advisory Committee (TAC) was formed. The Financial Counselling TAC worked on updating the existing Qualification, three existing Units of Competency and the development of two Units of Competency that were released for Draft 1 public consultation in October 2021. In response to stakeholder feedback obtained on Draft 1, the Unit *CHCFIN004 Provide rural financial counselling services* has been added for review within the scope of this project.

This paper summarises the feedback received during Draft 1 public consultation and highlights the key changes to the Qualification and Units which have been reflected in Draft 2.

Draft 1

National consultation on Draft 1 was open from **14 October 2021 to 11 November 2021**. It was promoted via SkillsIQ's networks and stakeholders, as well as via the Client Services IRC members' and Financial Counselling TAC members' own professional networks.

Draft 1 of the Qualification and five Units of Competency was published and made available via SkillsIQ's Online Feedback Forum. A Consultation Guide was also included on the Feedback Forum for individuals to download and review. Overall, the Feedback Forum page received 505 unique views during this first consultation period.

In addition to collecting feedback via the Feedback Forum, consultation activities included four webinars held during October and November 2021.

On completion, TAC members met to analyse and discuss the feedback received on Draft 1 and determined actions for the development of Draft 2.

Draft 2 Validation and Timelines

Feedback reviewed during the Draft 1 consultation period has informed the development of Draft 2. Validation of Draft 2 allows stakeholders to review changes made to the Draft 1 components and confirm that the resultant Training Package Products meet their needs. It provides an opportunity for final input prior to submission for endorsement.

National validation of Draft 2 will be open from **Wednesday, 08 December 2021 and will close at 5.00pm AEDT on Wednesday, 22 December 2021**. During this period input will be sought on the following:

- One Qualification
- Six Units of Competency.

Following the close of validation, feedback will be collated and evaluated by the TAC and IRC. This feedback will inform the development of the Final Draft for submission.

Webinars

SkillsIQ will host a series of webinars to seek stakeholder input. To register your interest in attending a webinar, please click on any one of the links below.

Webinar 1: Friday, 10 December – 1:00pm–2:00pm (AEDT)

Financial Counselling Draft 2 Validation - Webinar 1

Webinar 2: Tuesday, 14 December – 2:00pm–3:00pm (AEDT)

Financial Counselling Draft 2 Validation - Webinar 2

Webinar 3: Thursday, 16 December – 11:00am–12:00pm (AEDT)

Financial Counselling Draft 2 Validation - Webinar 3.

Online Feedback Forum

Feedback can be provided online via the SkillsIQ Online Feedback Forum. The Feedback Forum is a tool designed to capture stakeholder feedback on draft Training Package Products. It also provides an opportunity for stakeholders to view feedback left by others.

To access the Feedback Forum, please click here.

For information on how to use the Feedback Forum, please click here.

About this Validation Guide

This Guide, which should be read in conjunction with the Draft 2 Training Package Products, provides:

- a summary of the proposed changes from Draft 1 to Draft 2
- the draft Qualification
- a list of Draft 2 Units of Competency and associated Prerequisites
- mapping of Draft 2 Units to existing CHC versions
- an explanation of the contents of the Units of Competency and Assessment Requirements found in **Appendix A**.

This Guide does not include Draft 2 Training Package components. These can be accessed via the Feedback Forum link above.

Contact Details

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Summary of Changes – Draft 1 to Draft 2

General Issues

A number of general issues were raised in stakeholders' comments, and a diverse range of viewpoints were expressed.

The following table outlines the main points raised in Draft 1 consultation and the ways in which they have been addressed.

Component/s	Changes to Draft 2
Qualification	
CHC51122 Diploma of Financial Counselling	
Qualification Description	No change to the Qualification Description.
Packaging Rules	Packaging Rules for Draft 1 included fourteen core Units and a choice of three elective Units. Seventeen Units were required for the attainment of the Qualification in Draft 1. There was one Rural Financial Counselling elective specialisation group in Draft 1, as well as a group of Other elective Units. Packaging Rules for Draft 2 now include thirteen core Units and a choice of four elective Units. Seventeen Units are required to attain the Qualification. Elective specialisations now include three groups: Mandatory electives, the Rural Financial Counselling specialisation, and Other Electives. The Packaging Rules for Draft 2 have been updated to provide flexibility in the choice of electives.
Core Units	The Unit *CHCCDE002 Develop and implement community programs* has been moved from the core and is now included in the Group A Mandatory electives. The total number of core Units has now been changed to thirteen.
Elective Units	In response to feedback obtained from Draft 1 public consultation, the *CHCFIN004 Provide rural financial counselling services* has been added for review within the scope of this project and has been moved to ***Group A – Mandatory electives***: • *CHCFIN011 Provide rural financial counselling services.* The following Unit of Competency has been added to the elective list: • *CHCDFV001 Recognise and respond appropriately to domestic and family violence.* The following Units of Competency have been removed from the elective list: • *CHCCCS004 Assess co-existing needs* • *CHCCOM002 Use communication to build relationships* • *CHCCSM005 Develop, facilitate and review all aspects of case management.*

	The following Units of Competency are currently being reviewed as part of the Community Services project and will be updated upon endorsement: • *CHCCSM004 Coordinate complex case requirements* • *CHCSET001 Work with forced migrants* • *CHCSET002 Undertake bicultural work with forced migrants in Australia.*
Units of Competency	
General	
Terminology	Current industry terminology has been revised throughout all the Units of Competency, for consistency.
Additional Changes to Specific Units	All Unit Codes have been updated.

Units of Competency

More detail can be found in the Mapping section below.

Titles	The following Units have been updated in terms of Titles: • *CHCFIN007 Provide advice, counselling and representation to financial counselling clients* • *CHCFIN008 Manage case administration and apply professional practice in financial counselling* • *CHCFIN009 Provide financial counselling and systemic advocacy within a social justice framework.*
Application Statements	Application Statements have been updated to include current industry terminology.
Prerequisites	No Prerequisites have been included.
Elements and Performance Criteria (PCs)	Elements and Performance Criteria for all the Units have been refined to incorporate better technical language and to reflect current industry practice and terminology. The following Units have been updated with either additional or fewer Elements and Performance Criteria: • ***CHCFIN006 Establish the financial counselling relationship*** ○ Element 5 and PCs added to include content on 'using a strengths-based approach' ○ Element 6 and PCs added to include content on 'identifying complex needs'. • ***CHCFIN007 Provide advice, counselling and representation to financial counselling clients*** ○ Element 2 updated with additional PCs to clarify the steps within the financial counselling process ○ Element 3 added to include content on 'using a strengths-based approach'. • ***CHCFIN008 Manage case administration and apply professional practice in financial counselling***

	○ Element 1 and PCs updated to clarify the context of financial counselling work ○ Element 2 and PCs updated to provide clarity on the application of professional practice in terms of reviewing and documenting client progress. • ***CHCFIN009 Provide financial counselling and systemic advocacy within a social justice framework*** ○ Element 1 has been moved to *CHCFIN006 Establish the financial counselling relationship* ○ Element 2 has been moved to *CHCFIN006 Establish the financial counselling relationship* and *CHCFIN007 Provide advice, counselling and representation to financial counselling clients* ○ Element 1 and PCs updated to provide clarity on the financial counselling role in responding to systemic issues within the social justice framework ○ Element 2 and PCs added to include screening and risk assessment processes. • ***CHCFIN010 Apply basic concepts of small business to financial counselling*** ○ Element 1 and PCs added to include content on 'assessing small business suitability for financial counselling services'. ○ Element 4 PCs updated for clarity.
Foundation Skills	Foundation Skills tables in all the Units have been updated to include skills essential to performance in the Units which are not explicit in the Performance Criteria, along with a brief context statement.
Performance Evidence	Performance Evidence tasks for all the Units except for ***CHCFIN011 Provide rural financial counselling services*** have been reworded to provide clarity on the requirements and to ensure assessment provides clarity in terms of volume and frequency.
Knowledge Evidence	The content of the Knowledge Evidence has been refined to incorporate better technical language and to ensure assessment provides more efficient outcomes in terms of current industry terminology and knowledge requirements.
Assessment Conditions	Assessment Conditions for all the Units that require 220 hours of work in a financial counselling agency have been updated to provide clarity on workplace Assessment Requirements in terms of the addition of simulations and scenarios where the full range of contexts and situations are not available in the workplace. Assessment Conditions for all the Units have been updated to simplify access to suitable resources required to perform the activities within the Units.

Questions for Consideration

The following series of questions has been developed to guide feedback for Draft 2 of the Financial Counselling Training Package Products.

CHCFIN006 Establish the financial counselling relationship

- In response to feedback received from Draft 1 public consultation, the Financial Counselling TAC is proposing to include the following two Units as Prerequisites for the Unit ***CHCFIN006 Establish the financial counselling relationship,*** all of which are included in the core of the Qualification:
    - *CHCADV001 Facilitate the interests and rights of clients*
    - *CHCDIV001 Work with diverse people.*

Question: Should these two Units be included as Prerequisites for the above-mentioned Unit?

Suite of Units of Competency

- Are the Packaging Rules for the core composition of Units attainable at a Diploma level?
- Are all draft Units required? Should any be deleted?
- Are there any essential Prerequisites that should be nominated?
- Are there any additional Units of Competency required?

Titles and Application Statements - Units of Competency

- Does the Title reflect the skill being described? Could any Title be changed to better indicate what the Unit covers?
- Does the Application Statement provide a clear and accurate description of the skill being described?

Elements and Performance Criteria

- Do the Elements and Performance Criteria accurately describe what people do in Financial Counselling job roles? If not, what could be added?
- Do the Performance Criteria adequately describe the level of proficiency?

Performance Evidence

- Would the Performance Evidence prove that a person is competent in all the Unit outcomes, including Performance Criteria, Foundation Skills and Knowledge?
- Is the suggested volume (sufficiency) of evidence appropriate? Too little, too much?
- Are the statements clear? Would assessors understand exactly what they must do?

Knowledge Evidence

- What is the essential knowledge required of an individual in order to perform the tasks described in the Performance Criteria? Is the Knowledge Evidence requirement specific enough?
- Is there anything which should be added or deleted?
- What is the breadth and depth of knowledge required? Is this described well enough to assist assessors in understanding the scope?

Assessment Conditions

- Are the nominated environments appropriate?
- Are the statements clear? Would assessors understand what they must provide for assessment?

Draft 2 Qualification and Units of Competency

Qualification

Previous Qualification Code and Title	New Qualification Code and Title	Comment in Relation to Qualification E = Equivalent N = Not Equivalent
CHC51115 Diploma of Financial Counselling	CHC51122 Diploma of Financial Counselling	N Updated Qualification and Unit codes. Qualification Description updated. Packaging of core Units changed. Packaging of electives changed.

Units of Competency

Previous Unit Code and Title	New Unit Code and Title	Comment in Relation to Unit E = Equivalent N = Not Equivalent
CHCFIN001 Facilitate the financial counselling process	CHCFIN006 Establish the financial counselling relationship	N Unit Code updated. Changes to Title, Elements, Performance Criteria, Performance Evidence, Knowledge Evidence and Assessment Conditions.
CHCFIN002 Identify and apply technical information to assist clients with financial issues	CHCFIN007 Provide advice, counselling and representation to financial counselling clients	N Unit Code updated. Changes to Title, Elements, Performance Criteria, Performance Evidence, Knowledge Evidence and Assessment Conditions.
CHCFIN003 Develop and use financial counselling tools and techniques	CHCFIN008 Manage case administration and apply	N Unit Code updated.

Previous Unit Code and Title	New Unit Code and Title	Comment in Relation to Unit E = Equivalent N = Not Equivalent
	professional practice in financial counselling	Changes to Title, Elements, Performance Criteria, Performance Evidence, Knowledge Evidence and Assessment Conditions.
CHCFIN004 Provide rural financial counselling services	CHCFIN011 Provide rural financial counselling services	E Unit Code updated. Minor changes to Performance Evidence, Knowledge Evidence and Assessment Conditions.
	CHCFIN009 Provide financial counselling and systemic advocacy within a social justice framework	New Unit
	CHCFIN010 Apply basic concepts of small business to financial counselling	New Unit

Mapping of Draft 2 Units to Existing CHC Versions

Determination of Equivalence

A Unit is mapped as Equivalent (E) when it provides the same skill and knowledge outcomes, as follows:

- Elements and Performance Criteria are the same, but are re-ordered and or expressed differently for clarity
- Knowledge Requirements are the same but are expressed differently for clarity.

A Unit is mapped as Not Equivalent (N) when it provides different skill and knowledge outcomes, as follows:

- Elements and/or Performance Criteria have been added or removed
- Knowledge Requirements have been added or removed.

Substantial changes have been made to the seven Units which have been mapped as **Not Equivalent**. This is a consequence of changes made in response to significant concerns relating to the content of existing Units.

CHC Unit Code	CHC Unit Title	CHC Draft 2 Unit Code	CHC Draft 2 Unit Title	Draft 2 Comments	E/N
CHCFIN001	Facilitate the financial counselling process	CHCFIN006	Establish the financial counselling relationship	• Unit Code and Title updated • Application Statement updated. **Elements and Performance Criteria** • All the elements and PCs had been updated to reflect current industry practice and terminology prior to Draft 1 public consultation. • Element 5 and PCs added to include content on 'using a strengths-based approach' in Draft 2. • Element 6 and PCs added to include content on 'identifying complex needs' in Draft 2. **Performance Evidence** • Performance Evidence updated for clarity on the requirements. **Knowledge Evidence**	N

CHC Unit Code	CHC Unit Title	CHC Draft 2 Unit Code	CHC Draft 2 Unit Title	Draft 2 Comments	E/N
				• Content updated to include current industry terminology and knowledge requirements. **Assessment Conditions** • Assessment Conditions updated to provide clarity on workplace Assessment Requirements in terms of adding simulations and scenarios as part of the assessment process.	
CHCFIN002	Identify and apply technical information to assist clients with financial issues	CHCFIN007	Provide counselling, advice and represent the client	• Unit Code and Title updated • Application Statement updated. **Elements and Performance Criteria** • All the elements and PCs had been updated to reflect current industry practice and terminology prior to Draft 1 public consultation. • Element 2 updated with additional PCs to clarify the steps of the financial counselling process in Draft 2. • Element 3 added to include content on 'using a strengths-based approach' in Draft 2. **Performance Evidence** • Performance Evidence updated for clarity on the requirements. **Knowledge Evidence** • Content updated to include current industry terminology and Knowledge Requirements. **Assessment Conditions** • Assessment Conditions updated to provide clarity on workplace Assessment Requirements in terms of adding simulations and scenarios as part of the assessment process.	N

CHC Unit Code	CHC Unit Title	CHC Draft 2 Unit Code	CHC Draft 2 Unit Title	Draft 2 Comments	E/N
CHCFIN003	Develop and use financial counselling tools and techniques	CHCFIN008	Manage case administration and apply professional practice in financial counselling	• Unit Code and Title updated • Application Statement updated. **Elements and Performance Criteria** • All the elements and PCs had been updated to reflect current industry practice and terminology prior to Draft 1 public consultation. • Element 1 and PCs updated to clarify context of financial counselling work • Element 2 and PCs updated to provide clarity on the application of professional practice in terms of reviewing and documenting client progress. **Performance Evidence** • Performance Evidence updated for clarity on the requirements. **Knowledge Evidence** • Content updated to include current industry terminology and Knowledge Requirements. **Assessment Conditions** • Assessment Conditions updated to provide clarity on workplace Assessment Requirements in terms of adding simulations and scenarios as part of the assessment process.	N
CHCFIN004	Provide rural financial counselling services	CHCFIN011	Provide rural financial counselling services	• Unit Code updated. **Elements and Performance Criteria** • No change. **Performance Evidence** • Minor change. **Assessment Conditions**	E

CHC Unit Code	CHC Unit Title	CHC Draft 2 Unit Code	CHC Draft 2 Unit Title	Draft 2 Comments	E/N
				• Assessment Conditions updated to provide clarity on workplace Assessment Requirements in terms of adding simulations and scenarios as part of the assessment process.	

Appendix A: Training Package Unit of Competency Terminology Guide

Units of Competency specify the skills and knowledge a learner needs in order to complete a work task. Each Unit of Competency has associated Assessment Requirements, which detail what a learner must know and demonstrate in order to be deemed competent, along with any special conditions which apply to the assessment of competency.

UNIT CODE	Unique Code which identifies the Unit of Competency
UNIT TITLE	The Unit Title is a brief statement of the outcome of the Unit of Competency, i.e. what the task is that learners will be able to complete once they are deemed competent
APPLICATION	The Application summarises: • the content of the Unit of Competency and the skill area it addresses • any relationship with other Units of Competency • any licensing requirements or relevant legislation and elaborates the Unit of Competency's scope, purpose and operation in different contexts – for example, by showing how it applies in the workplace.
PREREQUISITE UNIT	Prerequisites are other Units of Competency or in some cases licences, etc., that a learner must complete before undertaking this Unit of Competency. This may be in order to provide underpinning skills or knowledge that is essential for a learner to undertake this Unit.
ELEMENTS	The Elements are the basic themes of the Unit of Competency. They describe the significant functions that form part of the work task that the Unit of Competency covers.
PERFORMANCE CRITERIA	The Performance Criteria specify the required steps that enable the learner to undertake the work task.
Assessment Requirements	
PERFORMANCE EVIDENCE	Identifies what a learner must demonstrate in order to be deemed competent at the work task.
KNOWLEDGE EVIDENCE	Identifies what a learner needs to know to perform the work task effectively.

ASSESSMENT CONDITIONS	Assessment Conditions provide the context for the Unit of Competency, describing essential operating conditions that must be present for assessment, depending on the work situation, needs of the candidate, accessibility of the items required, and local industry and regional contexts. They may specify any of the following: • The conditions under which competency must be assessed, including variables such as the assessment environment or necessary equipment or tools • Whether or not the Unit must be assessed in the workplace or may also be assessed via simulation • Resource implications, for example access to particular equipment, infrastructure or situations • Any required characteristics of the assessor, e.g. whether the assessor must hold a higher Qualification in that field, etc.