

NATIONAL STANDARDS FOR

# Membership and Accreditation

*Australian State and Territory Financial Counselling Associations*

**Effective from 1 January 2024 (1 July 2024 for SA/NT)**



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## ABOUT THE STANDARDS

This document sets out the national standards for membership and accreditation of financial counsellors in Australia.

This is the third version of the standards.

The standards have been agreed by the State and Territory financial counselling associations (**Association/s**).<sup>1</sup> These are:

- Financial Counsellors Association Tasmania (FCAT)
- Financial Counselling Victoria (FCVic)
- Financial Counsellors Association of New South Wales (FCAN)
- Financial Counsellors Australian Capital Territory (FC-ACT)
- Financial Counsellors' Association of Queensland (FCAQ)
- South Australian Financial Counsellors Association (SAFCA) (includes NT)
- Financial Counsellors' Association of Western Australia (CAWA)

These standards apply as of 1 January 2024 (from 1 July 2024 for SAFCA).

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<sup>1</sup> This occurred in December 2022.

## INTERACTION OF THE STANDARDS WITH THE REGULATORY FRAMEWORK

There are two types of licence that may apply to the work of financial counsellors.

- An Australian Financial Services Licence if you give advice about financial products or are involved in insurance claims management. This obligation is imposed by the *Corporations Act 2001*
- An Australian Credit Licence if you provide credit services. This obligation is imposed by the *National Consumer Credit Protection Act 2009*.

The Australian Securities and Investments Commission operates both of these licensing schemes.

Financial counselling agencies are exempt from holding both of these licences, but the exemptions are subject to strict conditions. Broadly, the exemptions for both licences require that the financial counselling agency:

- Does not charge any fees or receive any remuneration arising from the financial counselling service
- Does not provide any financial product advice or credit activity outside those permitted by the exemptions
- Ensures that its financial counsellors have appropriate training and adequate skills and knowledge
- Ensures that its financial counsellors are members of, or eligible for membership of, a financial counselling association

The national standards are therefore an important link with the exemption from licensing for agencies.

For more information: see [Fact Sheet 2](#) on the FCA Website.

## OVERVIEW OF THE STANDARDS

<b>Membership Categories</b>	Affiliate Student Associate Accredited
<b>Qualification</b>	Diploma of Financial Counselling
<b>Professional Development</b>	If an Associate or Accredited financial counsellor, 20 points per membership year.
<b>Professional Supervision</b>	If practising as an Associate or Accredited financial counsellor, or working as a Student financial counsellor, as a minimum: <ul style="list-style-type: none"> <li>&gt; Employed 0.5 FTE or more – 10 hours per membership year; or</li> <li>&gt; Employed less than 0.5 FTE – 6 hours per membership year</li> </ul> <p>Full time/FTE is defined as working for 30 hours per week or more.</p>
<b>Practice</b>	24 months full time or 36 months part time experience as a qualified financial counsellor is required for accredited membership. <p>Full time/FTE is defined as working for 30 hours per week or more.</p>
<b>Ethics</b>	Must adhere to the Australian Financial Counselling Code of Ethical Practice.

## MEMBERSHIP REQUIREMENTS

The four categories of membership are:

1. Affiliate
2. Student
3. Associate
4. Accredited

Affiliate	<p>Any person or organisation affiliated to the financial counselling sector in a related role, for example, financial counselling agencies, retired financial counsellors, financial capability workers, registered training organisation staff, agency managers, consumer lawyers, mental health workers, youth workers.</p> <p>This list is not exhaustive.</p>
Student	<p>Any person actively studying the Diploma of Financial Counselling.</p> <p>If working as a student financial counsellor, must meet the equivalent supervision requirements as for practising financial counsellors.</p> <p>Members who are working as student financial counsellors are strongly encouraged to undertake relevant CPD in addition to the Diploma of Financial Counselling studies.</p> <p>Associations may implement additional supports and requirements in respect of Student members.</p>
Associate	<p><b>Practising as a financial counsellor</b>          Qualified financial counsellor and has not yet had 24 months full-time practice or 36 months part-time practice, however meets the requirements for continuing professional development and supervision.</p> <p><b>If not currently practising as a financial counsellor</b>          Qualified financial counsellor and meets the requirements for continuing professional development.</p> <p>The maximum time a person can remain as an Associate member without consideration of additional requirements is 4 years. An Association may impose additional requirements on an associate after this period.</p>

Accredited	<p>Qualified financial counsellor and with 24 months full-time post qualification practice or 36 months part-time post qualification practice.</p> <p><b>AND</b> If practising as a financial counsellor, meets requirements for continuing professional development and supervision</p> <p><b>OR</b> If not currently practising as a financial counsellor, meets requirements for continuing professional development</p> <p><b>AND</b> If newly qualified after 1 January 2024, has satisfactorily completed an additional accreditation process covering technical, skills and ethics topics relevant to the financial counselling profession.</p>
All members	<ul style="list-style-type: none"> <li>• All members must abide by the Australian Financial Counselling Code of Ethical Practice</li> <li>• All members must abide by the rules and policies set by the relevant Association</li> </ul>

## CONTINUING PROFESSIONAL DEVELOPMENT

Continuing Professional Development (CPD) is the reinforcement or acquisition of skills or knowledge relevant to the workplace.

It is the responsibility of members to provide evidence of compliance to their Association, and for Associations to appropriately monitor compliance with CPD requirements by members.

### Application

CPD requirements apply to Associate members and Accredited members.

### Amount

A financial counsellor must complete **20 points of CPD per membership year**.

### Three categories

There are three categories of CPD.

- *Technical* – e.g. content knowledge relevant to legal issues, banking, fines, EDR/IDR, superannuation, hardship, insurance, completion of statements of financial position
- *Skills* – e.g. counselling, mental health, communication (written, verbal), interviewing, cultural awareness, suicide prevention/training and negotiation
- *Ethics* – e.g. conflict of interest, boundaries, counselling relationships, cultural awareness, client choices, appropriate referral to other services

There must be at least one activity from each of the three CPD categories of technical, skills and ethics.

The full requirements for CPD are contained in the CPD table, which is updated by the National Training and Professional Development Committee and ratified by the Representative Council.

## PROFESSIONAL SUPERVISION

The full requirements for professional supervision are contained in the National Supervision Policy.

Members must always comply with those requirements according to their membership category and other provisions of the National Supervision Policy.



## IMPLEMENTATION AND OTHER ISSUES

### Which Association does a financial counsellor join?

1. A financial counsellor is required to join the Association in the state or territory where the majority of their clients reside.
2. Otherwise, the financial counsellor will be required to join the Association where the financial counsellor resides.
3. Financial counsellors can apply to join a secondary Association.
4. Financial counsellors working across jurisdictions will need to ensure they are knowledgeable about relevant state differences e.g. fines, utility debts, statute barred debts, state-based entitlements.
5. If a financial counsellor's circumstances change, they **must** transfer membership to the relevant Association by the time their existing membership expires.

Associations agree to accept a membership application from any financial counsellor who transfers from another Association, without any change in membership category, based on evidence of current membership.

### Absence from active membership

If a financial counsellor who was compliant with these standards stops practising as a financial counsellor and does not maintain their membership and their absence from practice is less than 12 months, the financial counsellor can return to their former membership category, without additional requirements.

If the absence is greater than 12 months, the Association will decide on a case-by-case basis as to whether the financial counsellor will need to meet additional requirements to return to their previous membership category e.g. by undertaking additional targeted CPD. Associations can consider a member's role, relevant changes to laws and practice, experience, length of absence, employer supports and activities during their absence.

### Life or Honorary membership

Life or Honorary membership is bestowed by an Association. The Association may make such rules about the member's status, privileges or requirements provided that if the member is practising as a financial counsellor, all the relevant requirements of this standard apply.

## **Voting**

Voting rights of financial counsellor members of an Association are determined by the constitution of the relevant Association. Generally, Affiliate and Student members would not have voting rights.

## **Rural financial counselling membership**

Rural financial counselling membership is embedded within existing membership categories.

## **NATIONAL UNIFORMITY & GOVERNANCE**

The Associations have agreed that they will not make material changes to these standards, for example, by adding additional membership categories or changing existing categories. If any Association believes there is a case for change to these Standards, they will list this for consideration by the FCA Representative Council.

FCA and Associations will continue to resource a Sector Development group. Amongst other things, this Group will be responsible for the design of an additional accreditation process to enable financial counsellors to move from the Associate membership category to the Accredited membership category.

## **TRANSITION**

This standard is effective from 1 January 2024, but earlier adoption by each Association is encouraged.

Financial counsellors will retain their existing category of membership notwithstanding any new requirements to the contrary arising from the introduction of these national standards.

## **REVIEW**

The FCA Representative Council will review these standards as necessary.