



**Australian Government**

# **FNSFLT216 Develop knowledge of taxation**

**Release: 1**

## FNSFLT216 Develop knowledge of taxation

### Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 6.0.

### Application

This unit describes the skills and knowledge required to understand the role of taxation in the Australian economy, including why and how tax is levied and collected, types of taxes paid by business and individuals, and its impact on investment choices. It has wide application and may be used in workplaces, schools, adult and community learning organisations or registered training organisations to build the financial literacy of learners. The unit may also be used as part of pre-vocational or new apprenticeship programs, or as part of services provided by counselling or advisory organisations.

The unit applies to those who apply new ideas and knowledge to develop and maintain personal financial literacy skills.

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

### Unit Sector

Financial literacy

### Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify the role of taxation in the Australian economy	1.1 Identify the purpose of taxation in the Australian economy at local, state and federal levels 1.2 Identify how taxation in Australia compares with other countries 1.3 Identify methods of collection and groups from whom tax is collected 1.4 Identify the role of Australian Taxation Office 1.5 Identify the uses of taxation revenue
2. Develop knowledge of	2.1 Identify key terminology used in personal taxation and

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>
personal tax	<p>associated definitions</p> <p>2.2 Identify documents and information applicable to personal tax</p> <p>2.3 Identify personal tax assessment methods and tax return processes</p> <p>2.4 Identify and access sources of personal tax information in Australia</p> <p>2.5 Document the locations and uses of the identified sources</p>
3. Develop knowledge of business tax	<p>3.1 Identify key terminology used in business taxation and associated definitions</p> <p>3.2 Identify different business structures and associated effects on taxation</p> <p>3.3 Identify methods by which business tax is assessed and paid</p> <p>3.4 Identify methods used by businesses to assess and pay employee superannuation contributions</p> <p>3.5 Identify and access sources of information about business tax in Australia</p> <p>3.6 Document the locations and uses of the identified sources</p>
4. Develop knowledge of tax liability	<p>4.1 Identify methods for individuals to determine their tax liability</p> <p>4.2 Identify methods for small business operators to pay tax</p> <p>4.3 Identify the implications of underpayment and overpayment of tax</p>

## Foundation Skills

*This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.*

<b>SKILL</b>	<b>DESCRIPTION</b>
Numeracy	<ul style="list-style-type: none"> <li>Interprets financial information relating to taxation to determine how calculations are made</li> </ul>
Oral communication	<ul style="list-style-type: none"> <li>Uses active listening and questioning to develop a clear understanding of topics and issues, and participates in verbal exchanges to share information</li> </ul>
Reading	<ul style="list-style-type: none"> <li>Accesses, interprets and collates information from a range of sources and identifies key relevant information for the task</li> </ul>
Self-management	<ul style="list-style-type: none"> <li>Maintains up-to-date knowledge of taxation necessary for own situation</li> <li>Plans and organises tasks according to defined requirements</li> </ul>

<b>SKILL</b>	<b>DESCRIPTION</b>
Technology	<ul style="list-style-type: none"><li>• Uses digital systems and tools to source and analyse information</li></ul>

## Unit Mapping Information

Supersedes and is equivalent to FNSFLT206 Develop knowledge of taxation.

## Links

Companion Volume Implementation Guide is found on VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>