



Australian Government

FNSFLT205 Develop knowledge of the Australian financial system and markets

Release: 1

FNSFLT205 Develop knowledge of the Australian financial system and markets

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to understand the financial systems and markets operating in Australia, including identifying the main participants in financial markets, the role of the central bank, the impact of its decisions on business and consumers, key factors that influence the Australian economy and the role of financial regulators. 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.

It applies to individuals who research information to develop personal financial literacy knowledge and 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. Describe what is meant by Australian financial markets	1.1 Identify specific financial markets in Australia 1.2 Describe purpose of financial markets and when they emerged in Australia 1.3 Identify participants in financial markets and discuss roles of banks and financial institutions as financial intermediaries

ELEMENT	PERFORMANCE CRITERIA
2. Explain function and role of Reserve Bank of Australia (RBA)	2.1 Describe role of Reserve Bank of Australia (RBA) as Australia's central bank and contrast with other banking institutions 2.2 Explain importance and effect of RBA's monetary policy on Australian economy and everyday consumers
3. Explain Australia's monetary system	3.1 Describe various functions of money and discuss society's motivations for holding money 3.2 Describe the monetary cycle in the economy and on a global scale, and instruments traded on short-term money market 3.3 Explain impact of increases and decreases in money supply and importance of regulating money supply of any country
4. Explain key factors that influence the Australian economy	4.1 Describe role and impact of Commonwealth and state government actions on the economy with reference to current events and issues 4.2 Explain impact of change in domestic interest rates on different sectors of the economy 4.3 Discuss impact of changes in consumer activity on the Australian economy
5. Describe role of regulators	5.1 Identify main regulators of the financial system 5.2 Use examples to explain role of each regulator in protecting investors and consumers, and promoting confidence in the financial system

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1-1.3, 2.1, 2.2, 3.3, 4.1, 4.2, 4.3, 5.1	Interprets information from a range of sources to identify key information
Writing	1.1-1.3, 2.1, 2.2, 3.1-3.3, 4.2, 4.3, 5.2	- Prepares and logically structures written information to clearly and effectively convey information - Uses correct spelling, grammar, terminology and concepts appropriate for the audience and purpose

Oral Communication	1.1-1.3, 2.1, 2.2, 3.1-3.3, 4.2, 4.3	- Participates in verbal exchanges to share information using vocabulary, pace and tone appropriate for the audience and purpose - Uses active listening and questioning to develop a clear understanding of topics and issues
Navigate the world of work	1.1-1.3, 2.1, 2.2, 3.1-3.3, 4.1-4.3, 5.1, 5.2	Maintains up-to-date knowledge of financial systems and markets required for own situation
Get the work done	1.1-1.3, 2.1, 2.2	- Plans and organises work according to defined requirements - Uses digital systems and tools to design work processes and complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFLT205 Develop knowledge of the Australian financial system and markets	FNSFLT205A Develop understanding of the Australian financial system and markets	Updated to meet Standards for Training Packages Revised title Minor edits to reflect AQF level	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for FNSFLT205 Develop knowledge of the Australian financial system and markets

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Performance Evidence

Evidence of the ability to:

- clearly explain the features and roles of the participants in the Australian financial system and markets.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and describe relevant and current issues relating to the Australian financial system and markets, and the economic environment
- list the different types of financial markets in Australia
- explain the purpose of financial markets
- describe the role of the Reserve Bank of Australia (RBA) and its monetary policy
- list the main regulators and describe their roles
- describe the different functions of money
- describe the key functions of money
- list instruments traded on the short-term money market
- list different types of consumer activity in the financial system/markets.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the financial literacy field and include access to:

- office equipment, technology, software and consumables

- information about Australia's financial system and other markets, basic economics and other relevant resources.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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