



Australian Government

FNSFLT206 Develop knowledge of taxation

Release: 1

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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 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.

It applies to individuals 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. Explain and discuss role of taxation in the Australian economy	1.1 Identify and discuss purpose of taxation in the Australian economy at local, state and federal levels, and how this compares with other countries 1.2 Explain various ways and groups from whom tax is collected 1.3 Describe role of Australian Taxation Office 1.4 Explain what taxation revenue is used for and relate to wellbeing and lifestyle of Australian citizens

ELEMENT	PERFORMANCE CRITERIA
2. Explain personal tax	2.1 Identify and define key terminology used in personal taxation 2.2 Examine tax declaration forms, Tax File Number requirements and rates of personal tax 2.3 Describe how personal tax is assessed and how tax returns are completed and paid 2.4 Identify, access and discuss sources of ongoing information about personal tax in Australia
3. Explain business tax	3.1 Identify and define key terminology used in business taxation 3.2 Identify and describe different business structures and how this affects taxation 3.3 Describe how business tax is assessed and paid 3.4 Describe how superannuation contributions for employees are assessed and paid 3.5 Identify, access and discuss sources of ongoing information about business tax in Australia
4. Discuss tax liability	4.1 Identify and discuss how individuals can determine their tax liability 4.2 Describe how small business operators pay tax 4.3 Discuss underpayment or overpayment of tax and its implications

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	1.1-1.4, 2.1-2.4, 3.1-3.5, 4.1-4.3	Accesses, interprets and collates information from a range of sources and identifies key relevant information for the task
Oral Communication	1.1-1.4, 2.1, 2.3, 2.4, 3.1-3.5, 4.1-4.3	Uses active listening and questioning to develop a clear understanding of topics and issues, and participates in verbal exchanges to share information
Numeracy	2.3, 3.3, 4.1	Interprets financial information relating to taxation to determine how calculations are made

Navigate the world of work	1.1-1.3, 2.1-2.4, 3.1-3.5, 4.1-4.3	• Maintains up-to-date knowledge of taxation necessary for own situation
Get the work done	1.1-1.3, 2.1-2.4, 3.1-3.5, 4.1-4.3	• Plans and organises tasks according to defined requirements • Uses digital systems and tools to source and analyse information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFLT206 Develop knowledge of taxation	FNSFLT206A Develop understanding of taxation	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 FNSFLT206 Develop knowledge of taxation

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Performance Evidence

Evidence of the ability to:

- clearly explain the role of taxation for individuals and small business in Australia
- discuss taxation responsibilities and their impact on personal financial management
- demonstrate knowledge to manage taxation liabilities.

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:

- describe the purpose of taxation
- list ways tax is collected
- describe the role of the Australian Tax Office
- identify what taxation revenue may be used to provide
- define key terminology used in personal taxation
- list sources of information about rates of personal taxation and ongoing information
- describe ways for completing taxation returns
- list and describe different types of business structures
- describe how business tax is assessed
- explain how individuals can determine their tax liability by assessing income and deductions
- describe how small business operators pay tax
- list issues relating to underpayment or overpayment of tax.

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 the internet and current information about Australia's taxation system.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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