



Australian Government

FNSFLT503 Promote basic financial literacy skills

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 develop clients' basic financial literacy so they can make informed financial decisions, including the need and purpose of bank accounts, basic savings and investment principles, risk and return, and the role of insurance and superannuation.

It applies to individuals in lending or counselling roles who use specialised knowledge and interpersonal skills to build the financial literacy skills of people with limited understanding of financial systems and the use and management of money.

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 extent of clients' financial awareness	1.1 Identify and clarify client understanding of financial system, role of financial institutions in the modern economy and awareness of what money is and how it is exchanged with clients where necessary 1.2 Clarify relevant aspects of clients' own financial situations and discuss areas of concern
2. Discuss methods available for spending and saving money	2.1 Identify and discuss options available for purchase of goods and services with clients to determine advantages and disadvantages

ELEMENT	PERFORMANCE CRITERIA
	2.2 Identify necessity and means of opening and operating a bank account, and range of accounts available for holding and saving money, and discuss advantages and disadvantages of each with clients 2.3 Discuss range of methods to access funds and address queries with clients 2.4 Discuss importance of record-keeping for tax purposes and individual money management with clients
3. Discuss basic money management principles	3.1 Explain benefits and means of developing a savings plan and strategy, and role of budgeting, and show clients how to compile and implement a budget 3.2 Explain relationship between risk and return to clients in clear language 3.3 Discuss techniques for evaluating alternative financial products and risks associated with some forms of financial products with clients in relation to their situations
4. Discuss role of other forms of savings and investment options	4.1 Discuss role and benefits of insurance as a means of protecting against events of risk with clients 4.2 Explain role of superannuation and retirement planning, including superannuation contributions covering life and permanent disability insurance to clients 4.3 Discuss with clients ways in which they can provide for own future requirements

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, 2.1, 2.2	Gathers and analyses information from a range of sources to determine client needs and assess information for relevance, currency and accuracy
Writing	1.2, 2.1, 3.1	Prepares documents for clients using clear, concise and unambiguous language
Oral	1.1, 1.2, 2.1-2.4,	Uses questioning and active listening in verbal exchanges to elicit and clarify information

Communication	3.1-3.3, 4.1-4.3	Uses vocabulary, tone, pace and concepts suitable for clients
Numeracy	1.2, 2.1	Interprets, deconstructs and clarifies numerical and financial information to assist client understanding
Interact with others	1.1, 1.2, 2.1-2.4, 3.1-3.3, 4.1-4.3	- Follows accepted communication practices and protocols, adjusting personal communication style in response to the particular needs, values, beliefs and cultural expectations of others - Implements strategies for a diverse range of clients to build rapport and trust
Get the work done	1.1, 2.1, 2.2, 2.4, 3.1, 3.2, 3.3, 4.2	- Plans tasks and organises workload according to defined requirements - Uses systematic, analytical processes in routine and non-routine situations, gathering information, interpreting information and identifying and evaluating potential strategies - Uses digital systems and tools to conduct research, design work processes and complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSFLT503 Promote basic financial literacy skills	FNSFLT503A Promote basic financial literacy skills	Updated to meet Standards for Training Packages	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 FNSFLT503 Promote basic financial literacy skills

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Performance Evidence

Evidence of the ability to:

- assess clients' existing level of financial literacy to determine areas of need or concern
- use clear language and effective communication techniques to build rapport and explain basic financial literacy principles and knowledge to clients.

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 key aspects of clients' own financial situations to determine relevant information
- outline options for purchasing goods and services
- explain the advantages and disadvantages of a range of accounts available for holding and saving money
- describe key features of different types of insurance
- describe key requirements of relevant industry codes of practice and legislation relating to privacy, consumer credit and protection, and debt recovery
- identify and explain roles and relationships between participants in the Australian financial services industry, including banks and other financial intermediaries.

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
- financial services product information.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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