

Summary of draft training product changes

Financial Services

Project 1H – Banking and Lending

*PwC's Skills for
Australia*

Financial Services

Banking and Lending

16th August 2019

Introduction

The banking and lending space has experienced a high degree of disruption in recent years, due to the Financial Services Royal Commission and ongoing regulatory review and reform. These changes have created gaps in skills and knowledge throughout qualifications in banking and lending, particularly in ensuring there is a focus on responsible lending, ethical conduct in completion of tasks, and that there are clear pathways for meeting compliance requirements. Industry has indicated the need for these updates to training to ensure trust and credibility in the sector can be maintained or increased. Additional updates are also required to reflect changes in technology, demand for soft skills, and to ensure training products are updated for policy.

In response to these events and industry demand, the Financial Services Industry Reference Committee (IRC) proposed a review of units of competency (UoCs) and qualifications related to banking and lending within the Financial Services (FNS) Training Package. This document pertains to the second grouping of units ready for review and the banking and lending qualifications.

About the project

PwC's Skills for Australia prepared the Case for Change for this project on behalf of the Financial Services IRC and submitted it to the Australian Industry and Skills Committee (AISC) in May, 2018. The AISC endorsed this project on 5 June 2018. It was established as a result of initial research and consultations outlined in that Case for Change, as well as in the 2018 Financial Services Industry Skills Forecast and Projected Schedule of Work.

On behalf of the Financial Services IRC, PwC's Skills for Australia carried out industry consultations for this project from September 2018 – March 2019. Consultation focused on identifying the key changes to training products required to more closely align training in banking and lending with the skills needs of industry

Following the Financial Services IRC's review of our key findings from consultation and the recommendations we proposed for changes to training products, we have developed draft training products which address identified skills gaps in banking and lending.

This is the main opportunity for members of the public to review and provide feedback on these draft training products. The next step will be to develop a Case for Endorsement for changes to the Financial Services Training Package, which is to be provided to the Financial Services IRC for approval and submitted to the AISC. *Shortly after approval of these training products via the Case for Endorsement, the updated Financial Services Training Package will be published on training.gov.au.*

How to provide your feedback

We want to hear from you. We will be accepting feedback on the draft training products in the scope of this project up until **COB 13th September 2019**. We cannot guarantee that feedback received after this date will be considered.

Please provide your feedback by emailing our team at info@skillsforaustralia.com. You can:

- Provide general comments on training products via email
- Provide detailed comments on training products via 'tracked change' comments on the word documents included in the zip file
- Arrange a time to speak to a member of our team to provide detailed feedback.

Please note: The Financial Services IRC has approved the key findings and recommendations for changes to training products outlined in this document. We do not intend to review these findings or recommendations. As such, ***feedback will only be considered which is on the content of the draft training products included in the scope of this project.***

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Draft training products for your review

This zip file contains the following draft training products for your review:

Training product code	Training product type	Training product title	New / existing training product
FNSASIC313	Unit	Provide advice on first home saver account deposit products and non-cash payments	Existing
FNSBNK414	Unit	Promote mobile banking services	Existing
FNSBNK415	Unit	Provide mobile banking sales and services	Existing
FNSINC411	Unit	Conduct work according to professional practices in the financial services industry	Existing
FNSBNK512	Unit	Assess complex loans	New
FNS30120	Qualification	Certificate III in Financial Services	Existing
FNS42020	Qualification	Certificate IV in Banking Services	Existing
FNS41820	Qualification	Certificate IV in Financial Services	Existing
FNS40120	Qualification	Certificate IV in Credit Management	Existing
FNS51820	Qualification	Diploma of Financial Services	Existing
FNS50920	Qualification	Diploma of Banking Services Management	Existing
FNS51520	Qualification	Diploma of Credit Management	Existing
FNS60620	Qualification	Advanced Diploma of Banking Services	Existing

Additional Information

The table below summarises feedback themes based on key findings from consultations. This information was used to inform and develop frameworks for the draft training products, in addition to reviewing units for meeting policy requirements.

Key findings

Table 1 Feedback and key findings from consultations

Feedback area	Key findings from consultations
Ethical decision making, compliance and acting in a customer's best interest required at every level	<ul style="list-style-type: none"> A key result from the Royal Commission is the strengthening of the standards of conduct and compliance in financial institutions All roles can affect customer outcomes and the customer experience in financial institutions. Therefore all levels of seniority require individuals to understand and follow the principles of ethical decision making, and understand what actions constitute behaviour in line with the best interests of the customer. Financial institutions have adapted by giving responsibility and accountability to every individual in matters relating to breaches in conduct. All employees should be able to recognise and report situations which may not be at the set ethical, legal, or regulatory standard.
Providing greater focus on learner's ability to retain information in relation to the decisions behind	<ul style="list-style-type: none"> There is an increase in automated decision making processes and learners require greater knowledge about these systems and the role of human interaction with them. Allowing learners to contextualise and understand the processes and decisions, including automated ones, will empower learner's

Feedback area	Key findings from consultations
algorithms is important.	<p>problem solving capabilities and allow greater transparency with their customers.</p> <ul style="list-style-type: none"> Contextualising automatically processed decisions will allow greater interaction with the employee's role, enabling them to challenge machine-generated decisions. It is important that the employee is confident in their decisions to promote trust and credibility within the industry.
Reducing vocational outcome overlaps by reviewing specificity in the training package.	<ul style="list-style-type: none"> Currently the qualifications FNS41820 Certificate IV in Financial Services and FNS42020 Certificate IV in Banking Services include generic skills that make it difficult to differentiate the learning outcomes of the two qualifications. This overlap creates learning outcomes that may reduce clarity regarding the purpose and intent of the qualifications.

Recommendations for changes to training products

The recommendations for changes to the Financial Services Training Package made in this report are based on the prevailing views of industry representatives, VET sector entities, registered training organisations (RTOs) and subject matter experts consulted from across Australia. The table below provides a summary of the recommendations being made in this report.

Table 1 List of recommendations

#	Recommendation
1	<p>Include in the following units the processes and knowledge required by employees to recognise and report breaches in compliance, ethics or conduct, in line with organisational procedures. Training needs to address this to the appropriate depth as it is a key responsibility for every employee.</p> <ul style="list-style-type: none"> FNSASIC313 Provide advice on first home saver account deposit products and non-cash payments FNSINC411 Conduct work according to professional practices in the financial services industry
2	<p>Include in the following units processes and knowledge required by employees to understand and make informed decisions when interacting with automated processes. Training needs to address context and knowledge of challenging automated decisions as it is a key responsibility for the employee to understand processes to protect the best interests of the customer.</p> <ul style="list-style-type: none"> FNSBNK512 Assess complex loans
3	<p>Review the following qualifications for provision of specific learning outcomes relevant to the qualification.</p> <ul style="list-style-type: none"> FNS30120 Certificate III in Financial Services FNS42020 Certificate IV in Banking Services FNS41820 Certificate IV in Financial Services FNS40120 Certificate IV in Credit Management FNS51820 Diploma of Financial Services FNS50920 Diploma of Banking Services Management FNS51520 Diploma of Credit Management FNS60620 Advanced Diploma of Banking Services