

30 July 2004

Mr Simon Cobcroft  
CFL Taskforce Secretariat  
Department of the Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Simon,

The Australian National Training Authority (ANTA) welcomes the opportunity to provide input on the work of the Consumer Financial Literacy Taskforce based on the circulated discussion document.

ANTA is an Australian Government statutory authority established in 1992 to provide a national focus for vocational education and training (VET). ANTA reports to an industry-based Board and is an administrator and adviser.

It advises the ANTA Ministerial Council (MINCO) of Australian Government, state and territory Ministers responsible for vocational education and training on:

- VET policy, strategy, priorities, goals and objectives nationally; and
- VET plans which states and territories develop each year. These plans detail how states and territories propose to meet national priorities, goals and objectives.

ANTA administers national programs and the Australian Government funding of the national VET system.

ANTA's mission is to ensure that the skills of the Australian labour force are sufficient to support internationally competitive commerce and industry and to provide individuals with opportunities to optimise their potential. In achieving its mission ANTA works closely with governments, industry and other stakeholders to provide advice to MINCO to develop a strategic focus and recommend on national policies and strategies. ANTA's

The Authority is keenly interested in the work of the Taskforce and a strong supporter of developing a range of skills and literacies in the Australian workforce and general community that improve careers, lifestyle and wellbeing. ANTA has supported broad strategic activities over the past decade to ensure language, literacy and numeracy levels are improved through VET programs. Financial literacy is clearly a significant associated skill requirement for individuals to play an active part in Australian life and take full advantage of work and life choices.

ANTA offers the following comments on the discussion paper:

*Consumer issues -*

The community receives or has available to it a significant amount of information on a range of government initiatives and industry advice/products. Financial management features prominently within these. However, it appears that the plethora of information can in fact often become a barrier to access and understanding for many people. This suggests a need for financial services and product information to be rationalized across broad areas, coordinated in purpose and intent and produced in concise form and in plain English.

Dissemination of information necessarily has to be through multiple sources depending upon the audience. Clearly school is a primary catchment area and young people in particular need clear, guidance on the need for financial, literacy with accessible programs to provide the base learning required. The Australian school systems have, however diverse and competing curriculum pressures and definitive financial literacy programs may have difficulty finding space in the timetable.

Adults are also a target for sound financial literacy advice/training. There are many potential ways for this to occur and the VET system is one that reaches nearly two million people annually. ANTA is able to actively engage many education and training organisations to influence take-up of financial literacy skilling but again the space is limited and funding of training provision at a premium.

*A human behavior approach -*

A human behavior model is a necessary underpinning to development of effective strategies to inculcate the importance of financial literacy into the community psyche. However it is best seen as a 'behind the scenes' support mechanism as, in ANTA's experience there are dangers in making behavior modeling an overt aspect of any public program.

As noted above expert social research is required to fully understand the motivators for the various audiences that have to be reached and approaches, terminology and materials should be independently tested before major adoption and dissemination.

*Socio-economic and demographic factors -*

Reaching broad cohorts of the Australian community requires targeted information campaigns based on sound understanding of the demographics involved and well-researched social marketing segmentation.

Industry information and promotional materials are undoubtedly already designed to reach particular audiences in niche market segments and this in fact can increase the 'noise' and confusion that hinders good communication. Consolidation and/or partnerships between government and industry sources of financial literacy information is an essential part of clarifying the message and ensuring it reaches the gamut of individuals and communities that should be engaged.

The Taskforce approach of a coordinating body is therefore supported and a positive national approach to tackle the information issues.

*Needs, aspirations and life triggers -*

Financial services industry and community engagement agency sources are probably the best for determining these questions. Undoubtedly many organisations have recent and comprehensive research into their client's needs and aspirations so this should be fully utilised.

Understanding individual life events is essential to reaching people on matters of development and seeking assistance. Again ANTA assumes that much information about critical points of decision-making and intervention is within industry, government and NGO hands and could be usefully accessed to map the most vulnerable periods for individuals when financial literacy will be a crucial skill.

*Education -*

ANTA believes that a strong educational focus in the Taskforce's recommendations is essential to achieving positive outcomes from the activity.

Each stratum of educational systems – schools, VET and higher education – should be engaged and encouraged to provide solutions to financial literacy shortfalls in their clients.

ANTA is supportive of Taskforce outcomes that recognizes the importance of government and industry initiatives in skilling all Australians.

*A co-coordinating body -*

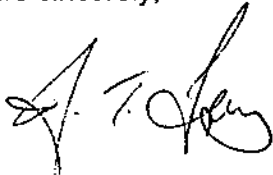
A co-coordinating body is essential to monitor and clarify the vast amount of information and advisory/learning programs in this area. The coordinating body would require government funding to set and up and provide basic clearinghouse and advisory services with involvement and financial input of industry through specific research or delivery programs.

In order to gain government support the remit, responsibilities and powers of such a body should be laid out for consideration and support by government and industry decision-makers. Without boundaries around such a new entities' role it is unlikely to be acceptable to government and industry should be clear that it has a partnership purpose not that of another 'watchdog'.

Sound research, links with similar bodies overseas and a strong emphasis on plain English communication would seem to be necessary ingredients to success.

Overall ANTA views the work of the Consumer and Financial Literacy Taskforce to be important and valuable. The Authority will be a cooperative partner in suitable initiatives arising from the Taskforce deliberations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Lewis', written in a cursive style.

Andre Lewis  
Director Industry Support