



Business Educators Australasia Inc.

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Mr Paul Clitheroe
Chairman
Consumer and Financial Literacy Taskforce
SCGSD
Department of Treasury
Langston Crescent
PARKES ACT 2600

Dear Mr Clitheroe

Please find attached a copy of our submission which we hope will in some way help shape the final recommendations to Government in terms of Consumer and Financial Literacy.

Business Educators Australasia is, as outlined in our submission, is the peak business teacher association representing some 6,500 teachers across Australia and New Zealand. Our members believe that financial literacy is an essential life skill and should be more explicitly identified within the curriculum at all levels of education – primary, secondary and tertiary. We also believe our subject areas provide excellent opportunities for teaching the appropriate knowledge and skills.

The comments made are in relation to financial and consumer education and implications for the education sector as this is where we feel we have the expertise, experience and knowledge to add value to your final report. We have not answered the questions as specifically outlined in the discussion paper but provided comment about important aspects for your consideration.

We have also included a copy of the response we provided to the ASIC Discussion Paper – Financial Literacy in Schools for your information and interest.

BEA looks forward to being provided with a final copy of the recommendations and working with Government, Industry, Consumer Groups and other stakeholders to ensure that Consumer and Financial Literacy is improved for all Australians.

Yours sincerely

Christine Reid
Executive Officer

Affiliated Associations

Business Educators Association of Queensland Inc (BEAQ)
Business Educators Australian Capital Territory (BEACT)
Business Educators Australasia Tasmania Inc (BEAT)
Business Education Teachers Association of Northern Territory (BETANT)
Business and Enterprise Teachers Association of South Australia Inc (BETASA)
Business Educators of Western Australia Inc (BEWA)

Economics and Business Educators New South Wales (EBENSW)
Economics Teachers Association of Western Australia (ETAWA)
Economics Teachers Society of South Australia (ETSSA)
Legal Studies Association of New South Wales Inc (LSANSW)
New Zealand Commerce and Economics Teachers Association Inc (NZCETA)
Queensland Economics Teachers Association Incorporated (QETA)
Victorian Commercial Teachers Association (VCTA)

Business Educators Australasia (BEA) response to Consumer and Financial Literacy Taskforce Discussion Paper – July 2004

BEA is the peak association for teachers of Economics and Business Education related subjects including Consumer Education in Years 7–10. Affiliate members of BEA represent all states and territories and New Zealand.

Business Educators Australian Capital Territory	(BEACT)
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Business Education Teachers Association of Northern Territory	(BETANT)
Business and Enterprise Teachers Association of SA Inc.	(BETASA)
Business Educators of Western Australia Inc	(BEWA)
Economics and Business Educators NSW	(EBE NSW)
Economics Teachers Association of Western Australia	(ETAWA)
Economics Teachers Society of South Australia	(ETSSA)
Legal Studies Association of New South Wales Inc	(LSA NSW)
NZ Commerce and Economics Teachers Association Inc.	(NZCETA)
Queensland Economics Teachers Association Inc.	(QETA)
Victorian Commercial Teachers Association	(VCTA)

In the area of consumer and financial literacy BEA has already worked with the following organisations to offer strategic advice:

- Commonwealth Bank of Australia
- Australian Bankers Association
- Financial Planners Association
- Insurance Australia Group
- Australian Communications Authority
- Australian and New Zealand Institute of Insurance and Finance
- CPA Australia
- Financial Basics Foundation
- Australian Securities and Investment Commission

The taskforce discussion paper recognised the important role that the education sector has in skilling students to be better prepared consumers to operate in complex financial sector.

Within that context BEA offers the following comments:

- One of the questions posed by the Taskforce is: Are demographic and socio economic factors important in terms of access to information?

Educators are well aware that these factors and cultural differences affect what and how we teach. However, very little research has been undertaken to identify the specific needs of different groups within our community in relation to consumer behaviour. Teachers in our schools would value educational research

which identifies the influences that assist or constrain learning in this area, particularly in different educational contexts. We need to examine different learning models to see what is the most effective way of teaching to better skill consumers. This should be the underpinning research which allows us to evaluate educational programs. With this type of research, teachers can tailor pedagogy more appropriately and achieve quality learning outcomes. This should also consider the different cultural backgrounds from which our students are drawn to enable more effective transfer of knowledge and skills.

- For there to be a significant change in consumer skills and knowledge financial and consumer education must be seen as an essential life skill and be explicitly included in state/territory curriculum – it should not be an add on or an optional extra.

Inclusion in state/territory curriculum in both primary and secondary schools will ensure that all students are exposed to a relevant developmental program.

- While much is discussed about the importance of schools in providing the necessary skills and knowledge in this area, we would stress that these skills need to be included in all three education sectors – primary, secondary and tertiary.

Primary Schools – Primary Schools should not be ignored in the development of any strategy. We know that many life long values and habits are formed in early childhood. We also know that primary school students are consumers and strategies should be designed to include them.

Secondary Schools – Particularly in the compulsory years of schooling. Students need to gain the essential skills to operate in our consumer society and workplace.

Tertiary Sector – In particular financial literacy should be an important component of business courses and the essential skills reinforced. All too often it is assumed that these skills have been developed elsewhere.

- The taskforce suggestion of a centralised coordinating body for financial literacy and consumer information is an excellent idea and should act as a clearing house for the multitude of information available, including educational material. This material should be evaluated for its educational validity by educators. Not all information produced is suitable for classroom use and there needs to be a clear distinction between marketing and educational information.

This coordinating body can also provide impetus to ensuring that consumer and financial literacy has a permanent place on the educational agenda and not seen as a short term initiative.

- The commitment to a national strategy needs to be long term and inclusive of all stakeholders if there is to be any real change in consumer behaviour. One kit of information or a short term public awareness campaign will have minimum impact.

This long term commitment should include:

- National Strategy
- Establishment of a coordinating body – which includes educationists
- Strategic Public Awareness Campaign – which includes the importance of the initiative and raises the profile of consumer and financial literacy
- Five year educational strategy which includes:
 - establishing consumer and financial literacy in the curriculum in all three education sectors
 - developing a framework of essential skills/competencies
 - facilitating research on a quality learning model for consumer and financial literacy
 - providing information on quality educational material and recognising that resources cannot be a one size fits all
 - facilitating quality professional development for educators
 - developing a working relationship between information providers and educators

BEA would be pleased to elaborate on any of these points and provide further assistance to the taskforce if required.

Business Educators Australasia response to ASIC Discussion Paper – Financial Literacy in Schools

Introduction

Business Educators Australasia (BEA) is pleased to respond to the ASIC discussion paper – Financial Literacy in Schools.

BEA is the peak association for teachers of Economics and Business Education related subjects including Consumer Education in Years 7–10. Affiliate members of BEA represent all states and territories and New Zealand.

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Financial Literacy has been included in school curricula for many years but the focus and extent of the coverage would vary from school to school and even system to system.

Our members believe financial literacy to be an essential curriculum component. They are well placed to design and implement courses of study in this area with the complementary provision of quality resources and professional development. In addition, teachers also need quality research and evidence to use to influence curriculum decisions in their schools. The ASIC discussion paper goes some way to achieving this but the profile of this area and its importance needs to be communicated more widely.

Response

BEA looks forward to having on-going dialogue with ASIC as further developments in this area occur. We shall now address the individual questions posed in the ASIC discussions where we think it is appropriate to comment.

Q 4.1 Are there other available options for incorporating financial literacy into the curriculum? If so, what are they?

In various state/territories, and indeed, in schools, this will be addressed differently. *What* is taught and *Who* “teaches it” is very much a school decision. However, curriculum documentation does provide direction.

Other factors that will effect these decisions include:

- system/school priorities
- teacher expertise
- student interest
- available resources
- flexibility of timetable.

In identifying the SOSE, Mathematics and Life Skills areas we believe the ASIC paper has addressed the most probable areas for inclusion of financial literacy in the curriculum.

Q 4.2 Which option(s) do you support and why?

BEA considers that it would not be advisable to select a single option as organisation in schools and between systems is different. However, maximum coverage would be achieved through the SOSE and Mathematics curriculum. As a starting point these may be the best to focus on.

Q 4.3 Do you agree that financial literacy competencies should be developed with general standards and skills for different levels?

BEA believes that the development of standards is important to ensure that there is consensus on the important skills and understandings. However, these should be simple and easy to follow if they are to be used and be effective. They should be developed in partnership between the education and finance sectors.

Q 4.4 Do you have any other comments on the development of financial literacy competencies or on the nature of the competencies themselves?

Addressed in Q 4.3

Q 4.5 What other initiatives are required to support financial literacy in the curriculum?

Teachers, if they are to expand the extent of financial literacy presently taught, require quality resources and professional development.

Q 5.1 Do you agree with our assessment of a good quality teaching resource? If not, what would you omit, change or add?

We do agree that resources need to be practical and linked to real life experiences. Unfortunately, resources cannot be produced in a "one size fits all" format. Teachers need resources that provide a degree of flexibility to cater for the mixed abilities in their classrooms.

Resources need to be developed in consultation with the teaching profession and be easy to use.

Q 5.2 What format do teachers prefer for resources?

There is no set answer. While teachers are certainly moving more to electronic resources, including websites and CD-ROMs, access to computers varies from school to school and in some cases, out of necessity, print material will be more appropriate for teacher use.

Q 5.3 Do you agree with our proposed best practice principles?

The best practice principles provide an excellent starting point for developing classroom materials. The only point that we feel should be added is that such materials should be developed in consultation with the teaching profession.

Q 5.4 What else should be taken into account when developing and reviewing teaching resources?

In the development phase dissemination and promotion of the material should be considered. Too often excellent materials are not used by teachers because they do not know of their existence. In addition, resources should be complemented by quality professional development. Teacher associations can assist significantly with promotion and professional development.

Q 6.1 As a stakeholder in the education sector, particularly as a principal or teacher, what are your comments on the issues raised in the discussion paper?

While it is imperative that ASIC works with systems to effect changes in this area, informing and involving teachers and principals will also effect the extent to which financial literacy is included in the curriculum. So a bottom-up approach is also appropriate.

Q 6.2 Do you agree with the need for professional development of teachers in this area?

We would strongly agree with the need for quality professional development in this area. There has been rapid change in the financial services area and teachers need to have a broad understanding of these changes if they are to have the confidence and knowledge to be effective in this area. Professional development should combine:

- knowledge about the finance sector
- information about quality teaching practices to achieve competencies/standards set
- implementation of resource material
- sharing of teacher experiences and resources.

Q 6.3 Who should be involved in developing and delivering professional development for teachers and what form should it take?

- professional teacher associations and the finance sector should be involved in assessing the needs of teachers and developing appropriate professional development
- the form will be varied depending on teacher needs but a combination of the following would be an excellent starting point:

- awareness sessions at teacher association conferences
- professional development group sessions where teacher release is provided
- in school professional development activities
- on-line teacher forums.

Q 6.4 As a stakeholder in the financial services industry, what are your comments on the issues raised in the discussion paper?

Not applicable

Q 7.1 What do you think of the idea of establishing such an independent body?

BEA considers that it would be an excellent initiative to establish an independent body. This would signal to both the education and finance sectors that it is an on-going important initiative.

It would also provide an excellent starting point for teachers to seek out resources and information. Another key role for the institute is to continue to “champion” the cause.

Q 7.2 What do you think of the name the "Financial Literacy Institute"? Can you suggest any alternatives?

While the Financial Literacy Institute may not be considered a creative name, it does clearly indicate the purpose and area of interest. This is very important. Whatever name is selected it should provide a clear pointer to its purpose.

Q 7.3 Would you or your organisation be interested in being involved in FLI?

BEA would certainly be interested in being involved in the development and operation of the FLI.

Q 7.4 What would be the nature of your involvement?

BEA believes that through our significant teacher network we could be of great assistance to the FLI in terms of advice, information on dissemination, awareness raising, development of resources and professional development, to mention just a few areas.

Q 7.5 Do you have any suggestions or comments on the structure and funding of FLI?

BEA would be interested in membership of the FLI but, as identified in the discussion paper, fees would need to be minimal as BEA is a not-for-profit organisation.

It is also important that permanent staff are provided for the Institute but it must be careful to ensure that funding is not expended on administration rather than delivery.

Q 7.6 Do you have any suggestions or comments on any of the proposed roles for FLI?

In developing the quality marks considerable thought will need to be given to establishing the guidelines and criteria. Criteria will need to recognise the varied needs of students and teachers. The best practice principles are an excellent starting point.

Q 7.7 Do you have any comments to make on the proposal for a cross-sectoral partnership such as FLI?

BEA considers the cross-sectoral partnership to not only be important but essential. Too often education is required to work in isolation from bodies/sectors who could have valuable input into the curricula. On the other hand there are also many examples of industry/government organisations that have spent considerable funding developing education initiatives and not involved the education sector – often funding has been wasted. Keeping the balance is important.

BEA would be pleased to elaborate on any of the points made if required.