

4 August 2004

Consumer and Financial Literacy Taskforce Secretariat
SCGSD
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Per email: cflsub@treasury.gov.au

Dear Sir/Madam,

Re: Australian Consumers and Money

Thank you for the opportunity to provide these comments to the *Consumer and Financial Literacy Taskforce* (the Taskforce) in response to the *Australian Consumers and Money* (June 2004) full version discussion paper. These comments are in addition to the credit union sector's participation at the Taskforce's stakeholder forums, CUSCAL's earlier submission to the Taskforce dated 6 May 2004 and CUSCAL's meeting with the Chair and Secretariat of the Taskforce on 2 April 2004.

Credit Union Services Corporation (Australia) Limited (CUSCAL), is the peak industry body for the majority of Australia's 175 credit unions. Credit unions are mutual deposit-taking institutions with 3.5 million members and total assets of \$30.3 billion.

It is important that the Taskforce recognises that credit unions have a long history and highly praised commitment to financial literacy. Credit unions have substantial experience in designing and implementing literacy programs for school children, youth, adults, pre-retirement and retirees and for Aboriginal and Torres Strait Islander peoples. In each instance, credit unions have been acutely aware of the various financial challenges these different people encounter. Today, credit unions have an envious relationship with their members and the community and they use this connection to ensure that their financial literacy initiatives are focused on delivering positive, meaningful and achievable outcomes.

The Taskforce should seek to leverage this wealth of credit union experience and commitment as it seeks to establish a national co-ordinating body. This kind of foundation work by the credit union sector provides a solid base for promoting consumer protection, enhancing business and economic growth and empowering the populus through financial awareness. CUSCAL strongly believes that the credit union sector should be intimately involved in the establishment and operation of the proposed national co-ordinating body.

Additionally, credit unions welcome the proposition that financial literacy initiatives will be recognised and financially supported by the proposed national co-ordination body. However, this should not be at the expense of local initiatives that are uniquely adapted to their community needs. Any national framework should seek to incorporate and take advantage of the cornucopia of experience, contacts and successes that already exist in the credit union sector and other places.

When considering the funding model for the proposed national co-ordinating body the Taskforce should be aware that individually credit unions are relatively small organisations without access to spare funds to contribute to this scheme. But credit unions clearly have a wealth of talent, experience, ideas, networks and commitment to financial literacy across Australia and a familiarity in delivering successful programs that address consumer life events.

There is a significant opportunity for credit union's unique ability in this area to be adopted by the Taskforce as an effective model of successful development and implementation of financial literacy programs. Therefore, CUSCAL welcomes the Taskforce's discussion paper *Australian Consumers and Money*. Contained in Attachment 1 are a series of responses to the Taskforce's explicit feedback questions.

Once again, thank you for the opportunity to provide this contribution to the Taskforce's discussion paper. Should you wish to explore these comments further please contact me on tel: (02) 8299 9033 or by email: jmoyes@cuscal.com.au.

Yours sincerely

Josh Moyes
Policy & Public Affairs
CUSCAL Industry Association