

Submission by Commonwealth Bank of Australia  
on the “Australian Consumers and Money”  
Discussion Paper by The Consumer and Financial  
Literacy Taskforce

July 2004

**Commonwealth** Bank



Commonwealth Bank of Australia  
ACN 123 123 124

# Australian Consumers and Money Discussion Paper

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# Corporate Disclosure: Strengthening the Financial Reporting Framework

## Executive Summary

The Commonwealth Bank ('The Bank') welcomes the Consumer and Financial Literacy Taskforce's 'Australian Consumers and Money' Discussion Paper as an opportunity to highlight the extent of its own commitment in the area of financial literacy, and to contribute to the mapping of an effective approach to achieving a higher level of financial literacy in Australia.

The importance of teaching young Australians, in particular, the appropriate financial literacy skills that will stand them in good stead for life cannot be emphasised enough. This is the primary focus of the Bank's financial literacy education program, which is delivered through the Commonwealth Bank Foundation ('The Foundation'). The Foundation's activities are in addition to a wide range of information and initiatives provided to the Bank's customers and the wider community on matters relating to financial education.

The questions posed by the Discussion Paper highlight some of the difficulties that exist in providing information to consumers in an efficient and effective manner. The Bank has sought to contribute to the discussion on consumer financial literacy wherever possible through this submission, and on the whole there are many possible improvements that could be achieved to improve the overall framework in which financial information is delivered to Australian consumers.

The Bank does, however, have some reservations relating to the proposed objectives and functions of a central coordinating body, and believes further consideration should be given to whether such an entity is the most effective way of achieving a higher level of financial literacy in Australia, both in the near future and on a sustained basis.

## Introduction

The Bank places significant importance on financial literacy and the development of consumers' skills in this area to achieve a level of community awareness in which all Australians have the ability to make informed judgements and to take effective and responsible decisions when using and managing money.

The Bank is interested in ensuring that the recommendations made to the Government, following input from industry and the broader community, will lead to the implementation of worthwhile and achievable improvements in the delivery and consumption of financial information by Australian consumers. It is hoped that this can be achieved in a manner that will reinforce the positive work already being undertaken.

The submission made by the Bank outlines the commitment, purpose and scope of the Bank's financial literacy initiatives, and provides comments on the Discussion Paper questions that are considered relevant to the Bank, or where the Bank is able to express a view or suggest a way forward.

## Financial Literacy and the Commonwealth Bank

The Bank recognises that education, and in particular financial literacy, is important for a more secure and financially stable Australia. The Bank seeks to empower Australians, with a special focus on young Australians, to develop financial literacy skills that will stand them in good stead throughout their life.

Being able to make informed judgements and to take effective and responsible decisions about the use and management of money is an essential life skill for all Australians. This is why the Bank has been supporting financial education for more than 70 years through a range of activities, which begin at school with the Bank's Student Banking program right through to seminars for older Australians and special needs groups to assist them in understanding and using electronic banking facilities.

The Bank recognises that acquiring financial literacy skills is a lifelong process, and this is demonstrated through the range of programs offered by the Bank to help all Australians develop these essential skills. The programs offered by the Bank are outlined in Appendix 1.

In 2003, the Bank strengthened its commitment to financial literacy by establishing the Commonwealth Bank Foundation and providing funding of \$70 million. The Foundation will further extend the Bank's commitment to the education of young people and seeks to encourage developments in education and in particular, the development of financial literacy skills in young people.

The rationale behind the Foundation stems from the Bank's view that education is a key requirement to a more secure and financially stable Australia and recognises and

supports the role played by education in achieving financial security and stability at all levels.

The Foundation's objectives are to support the inclusion of financial literacy teachings in school curricula across Australia through the development of sustainable programs, and to create awareness among students, parents and the education community of the benefits, both individual and for the wider community, from a more financially literate population.

To achieve this objective, the Foundation in conjunction with representatives from the education community has developed, or is in the process of developing, a number of financial literacy programs that will contribute to the teaching of these critical life skills in a sustainable and consistent way. The Foundation's existing programs are outlined in Appendix 2. The programs in development include initiatives such as a research project, schools skills test, curriculum resource and schools speakers program. These programs will be progressively rolled-out over the next few months as an integrated set of financial literacy tools to arm young people with the financial information they need to make informed judgements and to take effective and responsible decisions about using and managing money.

The Bank plays a leading role in the area of financial literacy, and has demonstrated its long term commitment to building greater awareness, understanding and skills in this area. This is being delivered through the Bank's various initiatives and the targeted capability being built within the Foundation. The scope of the financial literacy initiatives provided by the Bank can be summarised as:

- Addressing the 'knowledge gap', so that customers have sufficient information to make informed assessments of the Bank's products and services, and the understanding to manage and use them responsibly.
- Providing education, through seminars and workshops that focus on building skills in, or raising the awareness of specific financial topics.
- Building long-term capability in the level of financial literacy in Australia, through the focus on teaching financial literacy skills to young Australians.

This layered approach to improving the financial literacy skills of not only customers, but of all Australians, is the Bank's key point of differentiation.

# Comments on Specific Discussion Paper Questions

## CHAPTER 2 THE CONSUMER

### *Question 2.2*

***Where we come from and our socio-economic status in life are key determinants in how we access and use information. As such, it is important for information providers to recognise the particular disadvantages that some consumers face in both accessing and acting on information.***

***Are socio-economic and demographic factors that important? How should they be factored into what information providers produce?***

The Bank considers socio-economic and demographic factors to be very important determinants in the way consumers receive, process and act on information provided to them. Consumers' individual experiences whilst growing up, where they may live, their level of education, and gender for example, will all have a bearing on the level of financial awareness, access to information and the choices and decisions made later in life.

The Bank recognises the importance of understanding the effects that such factors may have on the level of understanding, awareness and skills of individual consumers. Information should be provided to consumers to compensate for any discrepancies that these types of factors may generate. Making broad assumptions around what consumers should reasonably be expected to know, may unintentionally exclude or disadvantage some consumers on the basis of socio-economic or demographic grounds, and these same consumers would likely characterise the consumer groups that may be in most need of protection through the provision of relevant information.

One solution for overcoming socio-economic and demographic factors, which may become more prevalent over time, is to embed a financial literacy subject in the national school curriculum, as a compulsory subject. This will achieve a great deal in terms of levelling up the playing field, and ensuring that all young Australians are equipped with essential financial literacy skills by the time they leave school, irrespective of the socio-economic and demographic factors that may shape individual circumstances.

The Bank recognises the need to overcome the barriers to improved financial literacy that these factors represent. To realise this, the Bank believes that educating young people, particularly at school level, is fundamental to becoming a more financially literate nation. Through the activities of the Foundation, the Bank is committed to developing relevant, structured programs for young people that contribute to the learning of financial literacy life skills in their school years to help prepare them for the financial decisions and money-related matters they will be expected to deal with throughout their lives.

### **Question 2.3**

***Understanding the different personal characteristics that lead to consumer problems helps information providers decide whether they need to target behaviour rather than product knowledge in any information campaign.***

***Is a broader understanding of human behaviour useful in addressing consumer and financial literacy? How do we best discern the different personal characteristics of people in the community?***

A broader understanding of human behaviour is useful in understanding that not all consumers act in the same way in response to the same information. Human behaviour is complex, people have different learning styles and thought processes, and are motivated by a range of factors. This should be acknowledged and, wherever possible, included as part of the approach to information dissemination. The effectiveness of any information campaign will be contingent on addressing the requirements of the target audience, and clearly the effective tailoring of messages will play an important role in determining the success of any campaign.

Conducting research into some of the more common personal characteristics of a particular target consumer group, through for example, focus groups, case studies, market research and surveys, would be one valuable approach to gaining a better understanding of the main drivers of human behaviour, and in ensuring that information is appropriately tailored to that Group's needs.

### **Question 2.5**

***Understanding the life event triggers behind the big decisions that consumers make, assists information providers in targeting information at the times and places in people's lives when they most need it.***

***Does this help? How can the Taskforce's understanding of life events be enhanced?***

A greater understanding of the life event triggers behind the big decisions that consumers make, would add significant value in terms of tailoring information to people, when and where it is most needed.

There are obvious practical limitations in attempting to assess the best time and place to provide information to all individual consumers, however greater insights into the behaviours of various different consumer groups can increase the success rate and relevance of the information being provided. The availability and analysis of census type demographic information may be useful for constructing 'most likely' scenarios within particular age groups and determining when financial decisions, such as applying for a credit card or home loan, retiring, or starting a family, may be made.

Arguably, much of this information is already available to information providers in application forms received from consumers on a range of services. Information providers are in turn able to make inferences about this information and can attempt to identify the needs of consumers given a generic set of life event triggers.

The advent of event-based marketing is an example of how consumer information is already being used to target life events, albeit with a clear focus on marketing services at the times and places in people's lives when it is reasonably expected that there may be a need for it. Equally, this same information could be used proactively by information providers to provide tailored information to these same consumer groups on a range of financial matters, including why certain services are being marketed to them at particular times in their lives. This should facilitate a greater awareness and understanding of the possible need for such services, and assist in a more informed decision making process.

The difficulty in enhancing the understanding of life events is that the information that the information provider generally has is only a snapshot of an individual's circumstances and potential requirements, based on a generic application form used to gather that information. Financial planners and advisers by the very nature of the work they undertake could be one potential source for enhancing the taskforce's understanding of life events. Given that these professionals assess the specific financial position of each client and identify the most appropriate financial plan to achieve a client's particular goals based on their individual circumstances, including key life events, qualifies them for providing insights into how a better understanding could be achieved.

### **Question 2.6**

***Learning consumer and financial skills is all about building our capacity to make better decisions throughout our lives.***

***What skills are important to consumers? Do the consumer and financial skills presented in this section capture all relevant skills? How can we benchmark these skills over time?***

The Bank acknowledges the importance and relevance of the skills set out in Section 2.8 of the discussion document, and this is recognised by the Bank in the development of these skills through the financial literacy information and initiatives it provides to consumers.

DollarsandSense.com.au and the Foundation's programs aim to develop the financial skills of young people in the areas of budgeting, planning and saving, spending, understanding and managing debt, investing and retirement, protecting your money and earning it. These skills are seen as the essential skills that all young people should have a good grasp of by the time they leave school to prepare them for the financial decisions and situations they will be faced with during their lives.

The Bank addresses the need to provide consumers with additional information for example through brochures, workshops and seminars to develop the skills necessary to be able to assess the choices available when considering services, so that informed decisions around suitability and need can be made. The Bank also provides information, for example through its 'Practical Guides' that facilitate a better understanding of the features of specific services so that customers maximise the value they get from them, or are better equipped to manage or avoid some of the more common risks associated with them.

The Taskforce could consider adding technology as an additional skill, given the proliferation of electronic banking channels, and the associated challenges this has created for some consumers who may see this as an impediment to effectively managing their finances. Factors such as age, disabilities and access may need to be considered.

To establish an effective benchmark, the development of an annual test to a sample of Australians, covering a broad demographic and geographic area could be developed as a potential solution. For consistency, the same group would be tracked each year to measure the development of financial awareness, understanding and skills over time relative to an established baseline. The Foundation is currently developing a schools financial literacy skills test in conjunction with educators, and the development of a national test would be a relevant extension of this initiative.

### **Question 2.7**

***Understanding consumers' preferences for information allows information providers to properly target their messages and maximise their reach.***

***What information sources do consumers trust? Are consumers confused by different information on the same issue? Is information tailored to the learning style of the target audience?***

Consumers trust sources of information for many different reasons. Factors that contribute to the establishment and building of trust include:

- Experiential factors— trust is established through an individual consumers' own positive past experiences with an information provider.
- Influential factors— trust is established through recommendations or endorsements from family members, friends or acquaintances, and other sources such as financial advisers or even prominent public figures, eg. TV and radio personalities.
- Perceptual factors – gained through individual consumers' own research, views and assessment of factors such as integrity and quality of information provided.

The question of consumer confusion regarding different information on the same issue will depend on many factors. A consideration is the nature of the information being provided, and whether this is generic in nature, eg. general information on how to manage credit, or specific in nature, eg. how to handle your Commonwealth Bank credit card. The provision of generic information by a range of information providers,

such as financial institutions, consumer groups and regulators, may be confusing to some consumers, particularly as the perspective of information providers may at times be different, and an unintended consequence of this for the consumer may be a clouded or conflicting view of the information itself. Despite the wide availability of information however, one outcome is that most consumers who are confused by different information about the same matter, may be inclined to turn to their own trusted sources for guidance in clarifying and resolving any issues. For other consumers, the receipt of different information on the same issue will be welcome as it ensures they are in a position to make a thorough assessment and reach an informed decision, opinion or conclusion about the issue concerned.

Product-specific information is usually tailored to suit the features of individual products or offerings, and this will necessarily affect the messages received by consumers. The confusion that stems from a difficulty in being able to effectively compare the features of different credit cards or life insurance products for example, is more likely to be linked to the underlying level of financial literacy in the community than the ability of many consumers to make an assessment of the products themselves.

The tailoring of information in general will have different objectives, but these will not necessarily consider the learning style of the target audience. Depending on the nature of the information, the objective may simply be to increase the awareness of all consumers in a particular target group about an issue. Implicit in this is tailoring the information's delivery channel (electronic, print and media) as one way that different learning styles is catered for, rather than the tailoring of the information itself. Other information, such as in programs to be delivered through the school curriculum, will have very clear objectives around the learning style of students to ensure its relevance and effectiveness as a learning tool.

### ***How important are intermediaries such as financial advisers in delivering outcomes for consumers?***

Financial advisers have an important role to play, however consumers should still have a basic understanding of financial literacy rather than use planners and advisers solely because of their ignorance of financial matters. In other words, these services should supplement consumer financial literacy rather than replace the need for it. Financial literacy skills would ensure that the consumer is more able to assess the quality of the advice being given by a planner or adviser. Having at least the basic financial knowledge to ask appropriate questions of a financial adviser at the right time is a crucial skill that can be learned.

## **CHAPTER 3 THE INFORMATION PROVIDER**

### ***Question 3.1***

***The extent to which Australians' needs are met by the currently available consumer and financial education programs needs to take account of a number of factors including the following:***

***The availability of information — Are there some topic areas where there is insufficient information?***

Information providers tend to respond quickly to the financial information needs of consumers, particularly as increased awareness and knowledge about changes, risks, opportunities and the introduction of new product offerings are beneficial to consumers and information providers alike. There are no obvious 'gaps' in the information available on topic areas. However the complexity and changing nature of some areas such as superannuation and retirement saving may make it difficult for many consumers to feel they have a good grasp of the topic itself. Government imposed changes, such as tax changes and choice of superannuation fund, require information to be constantly revised and updated to reflect this, which may give an impression that insufficient information is available, rather than this actually being the case.

***Awareness of the available information and information sources — Do consumers (or teachers and other intermediaries) know what is available?***

As a consequence of most Australians having a relationship with a financial institution, it is reasonable to assume that most consumers have some level of awareness of the information that their financial institution provides to assist them, for example, to manage or handle their finances more effectively, build wealth, protect their assets or minimise risk.

The Bank makes available a range of brochures in its more than 1000 branches, and makes the same information available online through its website to assist customers. The Bank also mails out information to customers as required to draw attention to specific issues where there is perceived to be value to the customer in providing additional information. A range of workshops and seminars are also offered on various topics, and the Bank advertises this through media, such as appropriate magazines, associations and its website, to ensure those customers that are most likely to benefit are aware of, and given the opportunity to participate. For example, the Banking Made Easy workshops are promoted through Centre on the Ageing (COTA) and Link Magazine (for people with disabilities).

The question of whether consumers know what is available may have more to do with the point(s) in time when consumers actually seek out the available information to improve their financial awareness or knowledge. Consumers may only be sub-consciously aware, or not be aware at all, that comprehensive financial information and tools exist, and only choose to actively seek out this information when there is a specific need to, or a relevant issue arises that requires them to make a decision.

Teachers and other intermediaries are likely to know what is available to varying degrees, depending on their specific needs or interest in meeting these objectives for their students or clients. The Bank's focus is to equip teachers with the tools to educate their students in the area of financial literacy, and as such actively promotes and maximises the visibility of relevant Foundation programs and the DollarsandSense website in schools. To achieve this aim, the active engagement of

teachers is sought to help develop programs and initiatives, eg. through school trials, to ensure that awareness and relevance of the proposed material is high.

***Access to the available information — Do consumers know how to access information? Are all consumers able to access information?***

In response to whether consumers know how to access information, information providers are conscious that consumers have different or preferred channels for accessing information, and it is therefore disseminated in a range of formats and channels to ensure that as many consumers as possible are aware of, and likely to receive it.

Consumers are generally able to access information, and are aware of the options available to them in facilitating this access, whether this be for example, by contacting or sourcing directly from an information provider, searching the internet or accessing telephone help and information services.

From the Bank's perspective, the information designed to educate consumers is widely available to ensure that consumers are able to access this easily and conveniently. As discussed earlier in this submission, the Bank generally produces such information in print form, through brochures available in all branches and electronically on its internet website. Telephone information is also available to assist customers on the best use of the Bank's products and services. A further example is the Bank's commitment to ensuring that access is possible for all consumers, and in the case of students for example, this refers to the Foundation's programs such as e-Learning Grants and Financial Literacy Grants, which are designed for participation by all schools nationally. Other programs such as the financial literacy skill test, curriculum resource and schools visit program currently are being developed to also be available to all secondary school students nationally.

***The quality of the information provided — Is the available information clear and consistent?***

The quality and quantity of information available to consumers will naturally vary in terms of its clarity and consistency. How such attributes are perceived by consumers will likely depend on many factors, some of these may be subjective, including an individual's underlying level of financial literacy and learning style. Clarity may be a factor where an information provider assumes a given level of knowledge, which may put certain consumers at a disadvantage. Consistency of information may be compromised where the different perspectives by information providers and the positioning of the information itself results in different messages being received by consumers. For example, a financial institution will inform consumers on how to handle credit effectively, whereas a financial counselling service may advocate why credit should generally be avoided.

The Bank is satisfied that in the circumstances, the information it makes available to consumers is of a clear and consistent nature.

## ***Efficient allocation of resources — Is consumer education delivered efficiently?***

The delivery of consumer information in general, may have some element of inefficiency. Given the wide range of organisations producing information on some aspect of financial literacy, it could be expected that some may be ad-hoc or one off in nature, or simply a response to what peers may already be doing. The implication of having so much information available is that some information will not achieve its intended goal, or may merely duplicate information already available. The Bank is conscious of this and strives to ensure that its information and initiatives, where possible are appropriate, relevant and tailored to the needs of consumers and differentiated from other offerings.

The Bank sees considerable value in developing financial literacy programs that bridge identified gaps in the understanding, knowledge and learning of financial literacy skills, particularly in young people. This is viewed as an important opportunity to contribute to the education of Australia's youth, with development of relevant programs that are structured in a way that ensures their delivery to students is both efficient and effective. Achieving this, as previously noted, involves collaborative work with education departments, education specialists and schools to ensure that relevant, high quality resources are developed and implemented.

## **CHAPTER 4 AN INTEGRATED SOLUTION**

### ***Question 4.1***

***The Taskforce is proposing that a coordinating body be established to promote and facilitate a coordinated and targeted approach to consumer and financial information in Australia.***

***The body would aim to achieve this through the development of the Consumer Behaviour Model into a tool that can be used by service providers. The body would also be given a number of other functions to do with consumer and financial literacy that are currently not implemented in a comprehensive and coordinated manner. These include: research, a clearinghouse, an accreditation service to enable consumer and financial literacy to be incorporated into the school curriculum, an ongoing awareness campaign, a capacity-building grants program and a partnerships program.***

***Is a coordinating body necessary? Should it be Government or industry funded? What functions should it perform?***

A central coordinating body in the format proposed by the Taskforce is not supported by the Bank. Specifically, the proposed introduction by such a body of an accreditation service for materials designed for use in schools is seen as a disincentive to companies to allocate resources to the development and production of such materials. Most information providers will typically devote considerable time and cost to the development of such materials. Consequently, most information

providers already give due consideration to factors such as the requirement to produce relevant, high quality materials, involving for example, the partnering and consultation with education authorities and other bodies, and trialling within schools and associated feedback, in order to maximise the chances of take-up. This is the standard to which the Bank is developing its school focussed programs, and therefore accreditation by a centralised body is not seen as necessarily improving the chances of take-up. It is likely however that this process would:

- Add an additional layer of bureaucracy, without necessarily adding any tangible benefit, particularly where programs are already being thoroughly developed, as is the case with the Bank's programs.
- Potentially stifle the ongoing development of such materials, given the cost involved and the uncertainty that accreditation may not be achieved. This may be more detrimental than having no accreditation process, as such a process may reduce the incentive for valuable materials to be introduced at all, rather than just rejecting those materials that are identified as adding little or no value.
- Send the wrong signal to information providers, ie. that they are expected to continue funding and developing programs, but what material is actually accepted for introduction into schools is largely beyond their control.
- Act as a disincentive more generally, with potential flow on effects leading to a reduction in the development and provision of financial literacy programs into the wider community.
- The introduction of such a body would, in some instances, remove a competitive position that a company has developed.

In addition to an accreditation service not being supported, a clearinghouse is similarly undesirable as information providers arguably have the capacity to implement this themselves. In the banking industry for example, the Australian Bankers' Association (ABA) is currently developing its own financial literacy program. The program includes a clearinghouse type facility, through the proposed inclusion of information dissemination and advocacy functions that are designed to increase consumer awareness and access to the educational information that member banks provide. The ABA is undertaking a stocktake of available information and programs of member banks to facilitate the development and publishing of a financial literacy resources capability on its website. Other industry associations, representative and coordinating bodies could be persuaded to develop similar initiatives. An existing government body such as the Australian Securities and Investments Commission (ASIC) could in turn be charged with the responsibility of providing a central directory of all consumer and financial literacy information, as provided by each respective industry body. This would utilise and expand the existing role of a visible and relevant government body, as opposed to duplicating resources by creating yet another body to undertake this work.

The Taskforce should re-consider the value in adding clearinghouse and accreditation services to the role of a central coordinating body. The need for these particular functions is questionable as the risk is skewed toward increased bureaucracy and duplication of effort with regard to what is effectively already occurring elsewhere, certainly this is the case for the banking industry.

The role of a central coordinating body is seen as more appropriately being responsible for developing and facilitating the take-up of the Consumer Behaviour Model framework as outlined in the discussion paper and undertaking relevant research into consumer and financial literacy based on the Model. The role of the coordinating body would therefore be more of a 'think tank' to provide guidance and establish an overall framework in relation to best practice principles and how these could be achieved and applied in the Australian context. Such a role would add more value than providing a clearinghouse and accreditation service.

# APPENDIX 1: Commonwealth Bank

## List of Financial Literacy Programs

### Student Banking

The Bank has a proud tradition of offering a school banking service across Australia since the 1930s. This includes providing fee-free banking accounts and bonus interest incentives aimed at encouraging young people to save.

Providing student banking facilities gives children the convenience of conducting their banking at school and teaches them the importance of regular saving and sound money management.

The Bank established the world's first electronic banking system to operate from schools. The system enables students' deposits to be processed direct to their accounts using a personal computer at school.

Last year, the program saw primary school students in 3,100 schools across Australia bank around \$16 million. Schools received \$1.3 million in commission for supporting student banking.

### School Visitation Program

Branch Managers visit their local primary school to assist with student banking facilities and to talk to students on the basics of how banking works, and help students understand more about money, saving and sound money management.

### DollarsandSense.com.au

DollarsandSense is a website developed by the Commonwealth Bank. Launched in 2002, DollarsandSense has become a valuable financial literacy education support resource and tool for teachers.

Developed in consultation with education sectors and groups, DollarsandSense helps young people aged 14 – 17 develop money management and financial literacy skills. The website offers concise, objective, and practical information about a range of money matters.

To ensure DollarsandSense remains useful and relevant, the Bank is enhancing the site to include updated curriculum mapping and content; customised material for teaching groups (business educators, SOSE/HSIE and math educators); new content for Business educators; and updated tools and real life scenarios to engage youth and make learning fun, engaging and relevant.

DollarsandSense is engaging the Commonwealth Bank Foundation and Curriculum Corporation to help produce professional development materials and teaching activities to assist teachers in providing a quality and pedagogically sound learning experience.

## Investor Education Programs

The Bank's Premium and Business Services division offers its customers a range of free education programs to help them make informed judgements and to take effective and responsible decisions about the use and management of money regarding investments.

Over the past three years, lack of financial literacy skills is estimated to have cost the Australian community \$800 million through investments made in high-risk and fraudulent activities. With greater understanding, customers will be able to make more effective financial decisions and will be able to better protect themselves from loss related to fraud, excessive costs and high-risk ventures.

Some of the investor seminar programs the Bank offers include:

- Using Fundamental Analysis to build a better portfolio
- Making Sense of Managed Funds
- Multiplying Investment Power
- Protecting Your Assets and Your Lifestyle
- Investment Directions 2004 - The Big Picture
- Tax-Effective Investing.

## Retirement Focus Day and Retirement Planning Seminars

Commonwealth Bank branches are offering local residents the opportunity to visit a Commonwealth Financial Planner for an informal, obligation free discussion and to attend a Retirement Planning Seminar. This program is a national initiative to encourage pre-retirees to think about financial planning, and to develop their understanding and confidence in financial planning for their future.

## Banking Made Easy for Older Persons Program

Since 1996 the Bank has conducted more than 2000 seminars to help older people use electronic banking facilities. The seminars are available to all older members of the community.

EFTPOS and ATM "hands on" demonstration equipment is used to help older customers familiarise themselves with self-service banking alternatives.

Retired bank officers conduct the seminars with the participation of groups such as the Council on the Ageing and the Australian Pensioners' and Superannuants' Federation.

## Practical Guides for our Customers

The Commonwealth Bank produces free information brochures to help customers

and the community with tips on how to better manage their banking. Some of the guides include:

### **Handling Your Credit Card**

The Commonwealth Bank has developed a guide for the use of credit cards, with practical tips and information on the use of short term credit. It has been very successful.

The guide covers areas such as budgeting, protecting your funds, tips on using credit cards wisely, purchasing over the Internet, travelling overseas and how to manage your credit card if you experience difficulty making payments.

### **The Better Banking Book**

An important guide, the Better Banking Book helps customers develop important knowledge in how to safeguard an account, cheque account and direct debit management, guarantee obligations, joint account and loan liability rules, and how to open an account.

### **Managing Your Finances Online**

This guide helps customers effectively manage their money online to help them maintain control of their finances, save money on fees and to stay informed so as to make sound financial decisions.

### **Banking Made Easy**

The Banking Made Easy guide provides customers with information so they can make better and more effective decisions regarding their everyday banking. The guide provides various everyday banking options and explains the benefits of using an ATM, EFTPOS facility, telephone banking, BPay, NetBank, MobileBank and a Quick Deposit Box.

### **Property Value Guide**

A free online tool offering customers comprehensive, reliable, up to date information about movements in the property market to help them establish their own and prospective property values.

### **[www.commbank.com.au](http://www.commbank.com.au)**

The Bank's website is also a practical source of information. The website not only has information about the programs already outlined, but additionally it provides a Useful Tools section, containing a number of calculators for foreign exchange, savings terms, target deposit amounts, budget planning, and a range of loan and insurance calculators.

## **APPENDIX 2: Commonwealth Bank Foundation**

### **List of Financial Literacy Programs**

#### **2004 Commonwealth Bank Foundation Financial Literacy Grants**

The Financial Literacy Grants program is designed to help secondary schools (years 7-10) implement an education program that will develop student financial literacy awareness, understanding and skill. The Foundation is making 100 grants of \$3,500 available to secondary schools across Australia from the Government, Catholic and Independent sectors, with schools given the opportunity of applying for up to two grants each. This program was developed in conjunction with Business Educators Australasia.

#### **Commonwealth Bank Foundation 2004 e-Learning Grants**

The e-Learning Grants program helps develop important literacy and numeracy skills in young Australians through e-learning initiatives. Seventy (70) grants of \$5,000 each are available to primary schools across Australia each year. The program was developed in consultation with Government, Catholic and Independent sectors and is offered in conjunction with the Australian Government's National Literacy and Numeracy Week.

#### **National Literacy and Numeracy Week (NLNW)**

An initiative of the Commonwealth Department of Education, Science and Training with state and territory governments, NLNW highlights and encourages the development of effective literacy and numeracy skills. The week celebrates the progress schools are making in lifting student literacy and numeracy levels and acknowledges the outstanding results that teachers and students are achieving through innovation and exemplary teaching and learning approaches.

#### **Macquarie Business Mathematics Competition (MBMC)**

The MBMC is an annual national secondary school mathematics competition for year 11 and 12 students, offered online to test the use of mathematics in realistic financial scenarios. The competition is Australia's only fully online mathematics competition that aims to increase awareness of the application of mathematics in personal, business and finance scenarios.

## **Commonwealth Bank Foundation Maths and Money Show**

The Math's and Money Show is a daily student and school interactive show, soon to be offered at the Schitech Centre in Perth. The show will be based on maths and financial literacy concepts.

## **Making Maths Vital Conference**

Teachers of mathematics play an essential role in developing the numeracy skills of young Australians, a fundamental and essential life skill. For this reason, the Foundation is supporting the Australian Association of Mathematic Teachers' 4 day teachers conference, recognising that investing in the development of young people's numeracy and mathematic skills will assist them to build sustainable livelihoods and contribute to the well being of local communities and economies.

## **Girl\$avvy**

Girl\$avvy is a series of one-day workshops for high school students aimed at motivating and educating young women about the importance of being financially aware. Offered by the Department of Women NSW, participants undertake a range of activities which aim to boost self esteem, inspire them about the diversity of job options available and focus on the benefits of good financial planning. Students also have the opportunity to interact with professional female 'mentors' from their local area on a series of innovative, interactive activities set in a business environment.

## **Enterprise Network for Young Australians**

ENYA and the Commonwealth Bank Foundation have joined to develop a series of one-day workshops for regional and rural young people aged 16 and over who are in tertiary education or working. The workshop will introduce key financial and money management skills. Workshops will be held nationally in each state and territory.

## **UWS e-Learning Grants Research**

This research project will investigate how computers and information technologies are being used in primary schools around Australia and whether new pedagogics associated with these technologies are emerging. Patterns and trends will provide information about the relationships between e-learning and teaching and learning in primary schools across Australia.

## **Association of Independent Schools NSW 2004 Conference**

A two-day conference that will support school leaders to successfully implement the new curriculum (K-6 & 7-10). The conference will include international speakers.

### **Nova: Science in the News Website**

The Australian Academy of Science's highly acclaimed website, *Nova: Science in the news* promotes science education and communication to secondary school students, their teachers and parents. The website provides reliable, relevant and up to date information on 73 topics covering environment, mathematics, technology, biology, health and physical science. Each topic contains a glossary, links to useful websites, further reading and activities for the classroom.

### **University of Melbourne Chair of Finance**

Though the Foundation's support, the University is able to offer students a full sequence of courses leading to accreditation by the Australian Institute of Banking and Finance.

### **Commonwealth Bank ACO Schools Program**

To enrich and develop arts education and appreciation in Australia's youth, the Schools Program launched in September 2000, provides Australian youth with an introduction to the arts at an affordable price. It encourages students to pursue an interest and participation in the art of musical performance and breaks down the perceived barriers between the arts and younger audiences.

### **Commonwealth Bank Foundation Junior and Senior Debating Competition**

A debating competition offered by the NSW Department of Education, which offers secondary school students the opportunity to address and analyse current issues and concerns, fostering intellectual debate and promoting leadership skills.

### **General Sir John Monash Awards**

Developed by the General Sir John Monash Foundation, the awards program gives eight Australian postgraduates the opportunity to study overseas and eight postgraduates from overseas to study in Australia. Each award is \$50,000 per annum for each recipient for three years and are designed to promote excellence in scholarship and to develop Australia's future leaders.