

Financial Basics Foundation
making financial futures brighter

17th August 2004

CE Taskforce Secretariat
SCGSD
Department of the Treasury
Langton Crescent
PARKS ACT 2600

Dear Sir/Madam

Re: Australian Consumers and Money Discussion Paper

It is with some interest that I read, and now respond to the Discussion Paper, Australian Consumers and Money.

I am responding in my capacity as Chairman of Financial Basics Foundation which is a not for profit community organisation established to develop a financial literacy education package with the specific dream of *"helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and financial management practices, so that they can make informed decisions on their financial affairs"*. In doing so, I will address a number of points raised in the discussion paper, but will focus primarily on those questions which seek to address financial literacy and education in the Australian school system.

In the opinion of the Financial Basics Foundation, a coordinating body would achieve a more targeted approach to the dissemination of financial literacy information throughout Australia.

The Foundation considers that a coordinating body should be funded by the Federal Government. That said, for specific projects or "partnerships", industry funding could be accessed. For example, the Financial Basics Foundation financial literacy program will be distributed to secondary schools over four states in 2004. In 2005, it is hoped to greatly expand the number of participating schools and the area covered. As our aim is to continually improve our program and ensure its distribution to as many schools and community groups as possible, a "partnering" with the coordinating body or an 'affiliated group' would provide the Foundation with the assistance needed to achieve this outcome.

In particular, the Foundation is interested in the concept of the coordinating body accreditation system. This is in line with outcomes sought in the Foundation's Business Plan and would provide an independent assessment of our program making it more acceptable to a larger group of secondary schools. Having said that, it is clear to the Foundation that little will be achieved in terms of a coordinated approach to educating young people if Financial Literacy education is not recognised nationally, and made a compulsory course in school curriculum. The Foundation believes that a key function of the coordinating body would be to advocate strongly for this outcome.

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The Foundation Dream

Helping to ensure that all young Australians leaving the secondary education system have an understanding of the credit system and

Having reviewed your material and assessing the direction that the taskforce is recommending, I feel very positive about the work that our Foundation is currently undertaking. I have no doubt, that should these recommendations be actioned, that the work of the Foundation, and in particular, the content of our financial literacy program, Operation Financial Literacy, will be very highly regarded. Furthermore, the Foundation is currently working in a cooperative and consultative manner with individuals in the finance, banking, insurance, education, youth and community sectors. Our aim is to create a program that provides relevant and useful information and interactions to, and from each of these sectors.

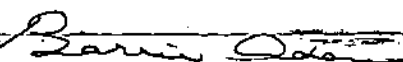
The increased level of communication within the industry about this topic has certainly been a positive outcome of the work of the Taskforce to date. A coordinating body facilitating this level of communication should see a decrease in duplication and an increase in the effectiveness of financial literacy information.

In conclusion, the Foundation sees the most important roles of a coordinating body as:

1. a clearing house for general information on all programs and information available (without comment);
2. in providing an accreditation system for those programs that meet specified criteria (the Foundation would wish to be considered as one of the groups that may be consulted when establishing these criteria). The parameters of the criteria and the criteria themselves would need to be published to inform those who access the system exactly what the accreditation means.
3. a lobby group that would work with education departments, national curriculum advisors and educators to ensure the inclusion of financial literacy education in all schools throughout Australia.

I trust that this information has been of use and look forward to continued developments in the area of Financial Literacy and Consumer Education.

Kind regards



Barrie Adams
Chairman