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I submit the following responses to questions raised in the Discussion Paper 'Australian Consumers and Money'. I provide these as an individual not in my role in Consumer Affairs.

Q2.1 Economic and government factors are not sufficiently understood, because in the first place many consumers do not understand basic economics and the effect of economic factors on interest rates for example, despite the occasional efforts of politicians and Treasury officials to explain these. Most consumers do not read material that provides a deeper level of analysis in newspapers and magazines, or are unable to understand this because of a lack of basic education in economics.

The answer, as usual, is for schools to provide students with better knowledge and analytical tools to understand economic factors and how government intervention can change these.

Q2.2 Socio-economic and demographic factors are very important. Improving rules on disclosure prior to contracts being signed, and better support for financial counsellors with credibility and respect in particular communities is very important, as migrant and low socio-economic groups respond best to face-to-face interactions. Information providers should work with these communities to tailor material and approaches.

Q2.3 A broader understanding of human behaviour is very useful. A research program focussed on discerning different personal and community characteristics (particular attention should be paid to ethnic and indigenous communities) should assist in this. In my view a very important aspect is risk management profiles; many people do not understand the risks inherent in decisions they make and education (action-oriented using games) should be an important aspect of addressing consumer and financial literacy.

Q2.4 Yes, needs and aspirations are important in understanding consumer behaviour, and should form part of the research program suggested above.

Q2.5 Yes, understanding life event triggers is very important. I believe there is already a good understanding of the effect of life events but it should be incorporated into the research program.

Q2.6 Important skills are arithmetic and related mathematical skills such as budgeting; literacy skills involving interpretation of financial data, contracts etc, planning skills involving goal setting, scenario setting, risk management, record keeping as a means of monitoring financial status and probably most importantly, the skill or behaviour of 'self-management and deferral of immediate gratification'.

Benchmarking will involve establishing appropriate behaviour standards and surveying the community on a regular basis for the degree of achievement.

Q2.7 Consumers trust sources that they are familiar with and are mostly congruent with their own view of the world. Because of the general reduction in face to face community discussion of issues, the most likely sources are family

and friends plus TV and newspaper commentators. Information sources such as 'moneystuff' that are tailored to the learning style of a particular audience (youth in this case), are most appropriate. Financial advisors are useful but are not used by many people; more people in community organisations should have some level of accreditation as financial advisors.

Q4.1 A coordinating body is necessary, funded jointly by government and industry; it should function as proposed.