



Australian Government

Department of Foreign Affairs and Trade

Australia's National Financial Literacy Strategy

OECD/Thailand Seminar on Financial Inclusion and Financial Literacy in Asia

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AGENDA

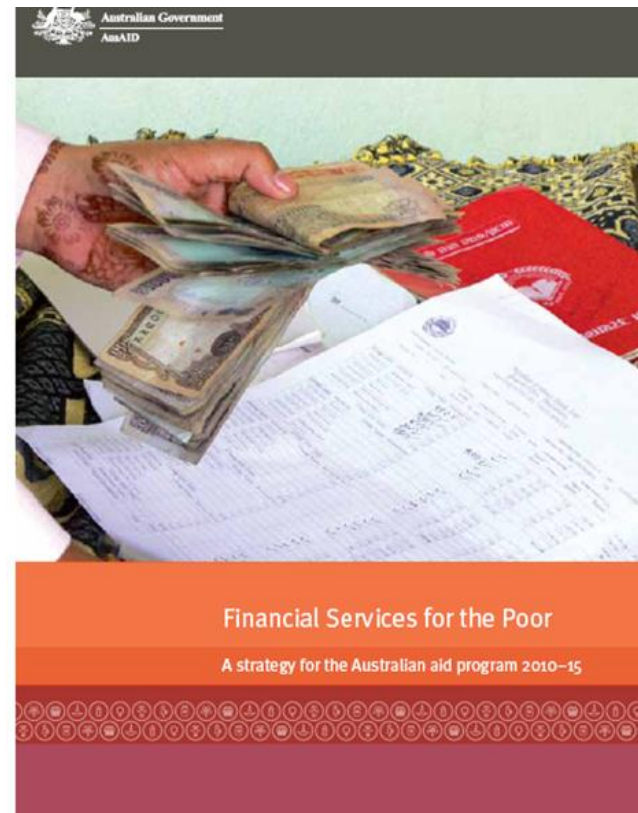
- A. Australia and Financial Inclusion**
- B. Development of the 2014-17 National Financial Literacy Strategy**
- C. Core Principles of the Strategy**
- D. Key Priorities of the Strategy**
- E. Co-ordination and Monitoring**



A. AUSTRALIA AND FINANCIAL INCLUSION

The Australian Government's goal is to **increase access to financial services by poor people in developing countries**, through:

1. A **policy and regulatory environment** to allow expansion
2. **Financial service providers** with strong financial and social performance.
3. Innovative models of **financial service provision**.
4. Increased capacity of clients including **financial literacy**.





Why is financial literacy important

1. **Necessary knowledge, skills and tools** for consumers to make informed financial decisions
2. That allows individuals to **build/accumulate, manage and preserve wealth**
3. Empowered consumers can **protect themselves against poor market practices**
4. Increased financial competence of consumers enables them to **demand better financial services**
5. **Drives efficiency** in the financial services industry
6. Boosts greater **financial inclusion.**



B. DEVELOPING NEW NATIONAL FINANCIAL LITERACY STRATEGY

- ❑ **First Australian national strategy released in 2011**
- ❑ **Review and consultation process in 2013/14:**
 - › took stock of progress, identified key priorities and issues;
 - › involved more than 200 stakeholders from the industry, community, education and government sectors;
 - › included 2013 National Financial Literacy Forum, consultation meetings, stocktake survey of 112 financial literacy initiatives.
- ❑ **Respondents expressed strong support for building on the key elements of the 2011 Strategy:**
 - › using formal education pathways;
 - › providing trusted and independent information;
 - › recognising the limits of education and information and developing innovative solutions to change behaviour;
 - › working in partnership and promoting best practice.



C. CORE PRINCIPLES UNDERPINNING THE STRATEGY

- Shared responsibility** across government, business, community and education sectors
- Engagement and effectiveness by **tailoring the approach** to life stage or personal circumstances
- Encouragement of good practice by **openly sharing knowledge** about what works
- Diversity and inclusiveness** to ensure all Australians have access to appropriate information, tools, resources and targeted support

Intended to be a practical framework for action, built around five strategic priorities, with indicators for monitoring

More at: www.financialliteracy.gov.au



D. KEY PRIORITIES OF THE STRATEGY

Individuals, families and communities

1. Educate the next generation, particularly through the formal education system
2. Increase the use of free, impartial information, tools and resources
3. Provide quality targeted guidance and support

Policy and program development

4. Strengthen co-ordination and effective partnerships
5. Improve research, measurement and evaluation

PRIORITY 1: EDUCATE THE NEXT GENERATION

WHY?

- ◆ To build foundational knowledge, skills, attitudes and behaviours in the next generation

KEY ACTIONS

- ◆ Build teacher capability to teach financial literacy
- ◆ Develop resources linked to the school curriculum
- ◆ Extend to post-school: vocational education and training (VET)

INDICATORS OF SUCCESS

- ◆ Number of schools and teachers engaged in financial literacy education
- ◆ Number of VET students participating in financial education



PRIORITY 2: INFORMATION, TOOLS & RESOURCES

WHY?

- ◆ To ensure all Australians have access to impartial information to suit their stage of life or personal circumstances

KEY ACTIONS

- ◆ Drive greater use of ASIC's MoneySmart resources and other sources of information and guidance
- ◆ Cross-sector communication plan, to extend reach
- ◆ Target key audiences: Indigenous Australians, pre-retirees, seniors, women



INDICATORS OF SUCCESS

- ◆ Number of people accessing MoneySmart and other free, impartial sources of information
- ◆ Outcomes of research studies and evaluations

PRIORITY 3: QUALITY TARGETED GUIDANCE & SUPPORT

WHY?

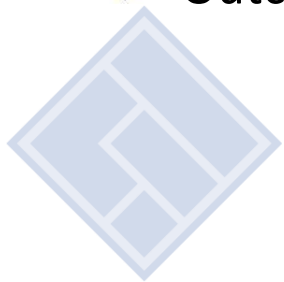
- ◆ To meet the often complex needs of specific groups in the community, especially disadvantaged and/or vulnerable groups

KEY ACTIONS

- ◆ Foster good practice in national targeted programs (e.g. matched savings and microfinance programs, financial counselling, Indigenous)
- ◆ Build capacity of intermediaries who deliver these programs

INDICATORS OF SUCCESS

- ◆ Number of people assisted by national targeted programs
- ◆ Feedback from intermediaries
- ◆ Outcomes of research studies and evaluations



PRIORITY 4: COORDINATION AND PARTNERSHIPS

WHY?

- ◆ To expand reach and impact of programs, and enable all organisations to contribute their expertise and resources

KEY ACTIONS

- ◆ Strengthen coordination between relevant government agencies ('Government Connect' project)
- ◆ Build strategic alliances across sectors through national networks such as MoneySmart Week , ASIC's Community of Practice
- ◆ Opportunities to share information and outcomes of programs

INDICATORS OF SUCCESS

- ◆ Enhanced co-operation between agencies
- ◆ Feedback from stakeholders



PRIORITY 5: RESEARCH, MEASUREMENT & EVALUATION

WHY?

- ◆ To encourage good practice in evaluation and develop our understanding about factors influencing Australians' financial literacy

KEY ACTIONS

- ◆ Conduct research to track Australians' financial literacy and financial behaviour
- ◆ Build capacity among providers: increase opportunities to share tools, resources and expertise to support good practice
- ◆ Participate in PISA 2015

INDICATORS OF SUCCESS

- ◆ Increase in number of financial literacy programs being evaluated
- ◆ Outcomes of relevant national and international research





E. CO-ORDINATING AND MONITORING THE STRATEGY

- ❑ ASIC will oversee implementation – working closely with the Australian Government Financial Literacy Board
- ❑ Annual reporting against key indicators, supplemented by other research to measure progress over time
- ❑ Surveys on Adult Financial Literacy in Australia, and
- ❑ Exploring new ways to measure changes in financial behaviour:

Staying informed			
Keeping track of finances	Financial control	Planning ahead	Choosing financial products
Tracking expenses Managing debts Saving regularly		Planning for retirement Protecting assets Understanding investment risk	