

National Consumer and Financial Literacy Framework

September 2011

National Consumer and Financial Literacy Framework

Audience	Teachers and principals are the primary audience for this document. However, it is also highly relevant to the work of curriculum developers and curriculum support staff in state and territory government and non-government education authorities, pre-service teacher educators, and teacher professional associations.
Overview	This document is a revised version of the National Consumer and Financial Literacy Framework (the Framework) originally developed in 2005. It articulates a rationale for consumer and financial education in Australian schools; describes essential consumer and financial capabilities that will support lifelong learning; and provides guidance on how consumer and financial education may be structured to support a progression of learning from Foundation–Year 10. Companion resources to this Framework, being developed by the Australian Securities and Investments Commission (ASIC), provide further guidance about integrating consumer and financial education into specific learning areas of the Australian Curriculum. These companion resources are available at: www.teaching.moneysmart.gov.au
Further information	Enquiries about this document should be directed to: moneysmartteaching@asic.gov.au
Additional copies	This document can be accessed at www.mceecdya.edu.au/mceecdya
Related documents	Melbourne Declaration on Educational Goals for Young Australians (MCEETYA, 2008) National Financial Literacy Strategy (ASIC, 2011) Financial Literacy and Behavioural Change (ASIC, 2011)
Related links	www.teaching.moneysmart.gov.au www.moneysmart.gov.au www.mceecdya.edu.au www.australiancurriculum.edu.au
Acknowledgements	ASIC led the revision of the National Framework in consultation with the Australian Government Financial Literacy Board, ASIC's National Reference Group – Consumer and Financial Literacy, and other key consumer and education stakeholders.

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Introduction

Knowing how to manage personal finances is one of the most important and challenging features of everyday life. It is a core skill in today's world. It affects quality of life, the opportunities individuals and families can pursue, their sense of security and the overall economic health of Australian society.¹

Young people today are interacting with money and making consumer choices from an early age. They are growing up in a fast paced consumer society where money is increasingly 'invisible', where there is a growing range of choice and complexity in consumer and financial products, increasing use of online and digital environments for shopping and making financial transactions,² and where individuals carry a greater level of responsibility for the decisions they make in these contexts. Students who are currently at school, will also face a number of social, economic and moral challenges in their lifetimes that will impact on their lives and choices such as increasing global interconnectedness, both on a personal level and more broadly; climate change; the ageing of the population; and scarcity of natural resources.³

Effective consumer and financial education empowers students in the face of such challenges. It contributes to students' cognitive, personal and social development and develops the capabilities needed to address their short-term consumer and financial issues and concerns as well as shape their social and economic futures. Students have opportunities to learn:

- how to manage their finances⁴ and plan for needs and wants, now and into the future
- the language of money, how to navigate the ever-changing consumer and financial landscape and where to go to for assistance
- about the rights and responsibilities of consumers in modern society and the wider impact of everyday consumer and financial decisions
- to develop a range of enterprising behaviours.⁵

¹ *National Financial Literacy Strategy*, (ASIC, 2011).

² Australians' use of the Internet as part of their everyday lives for banking, shopping, education and communication has grown rapidly over the past decade. According to Roy Morgan's State of the Nation report (March 2011), the majority of Australians aged 14 and over are now online more than once a day and for the first time, online banking has overtaken branch visits, with 45.4% of consumers preferring this method of interaction with their financial service provider. Furthermore, the increase in Internet access and the growth of Internet banking has led to a dramatic rise in purchasing goods and services on the Internet over the last ten years. In December 2010, a majority (51%) of Australians had shopped online, compared to just 5.6% in June 1999. This trend looks set to continue to rise.

³ *National Strategy for Young Australians*, (Australian Government, 2010).

⁴ Managing finances includes matters related to spending and saving; credit and debt; and financial decision-making. Students learn about strategies (including use of IT and online tools) to keep track of everyday financial transactions.

⁵ In the context of this Framework, enterprising behaviours cover a range of skills including adaptability, initiative, communication, managing and leading and problem-solving and the associated behaviours such as: working productively with others towards common goals, interpersonal competence, flexibility and adaptability, planning and organising, using resources effectively, analysing issues and managing identified risks.

Purpose and scope

The purpose of this Framework is to:

- provide a rationale for consumer and financial education in Australian schools
- describe essential consumer and financial capabilities that will support lifelong learning
- provide guidance on how consumer and financial education may be structured to support a progression of learning from Foundation–Year 10.

Companion resources to the Framework provide further guidance about integrating consumer and financial education into the specific learning areas of the Australian Curriculum.

In its capacity as the Australian Government agency with responsibility for financial literacy policy and initiatives, the Australian Securities and Investments Commission (ASIC) led the revision of the Framework⁶ in consultation with the Australian Government Financial Literacy Board,⁷ representatives from the Commonwealth and state and territory education sectors and consumer affairs agencies⁸ and selected teacher professional associations.⁹ This revision takes account of national and international research on financial literacy, international best practice in financial education,¹⁰ the advent of the Australian Curriculum, and the rapid advances in technology that influence the everyday lives of Australians.

The scope of student learning in the Framework spans Foundation–Year 10. The Framework builds on the learning outcomes of the Early Years Learning Framework¹¹ and recognises the diversity of family, cultural and community backgrounds that students bring with them to school. Teachers are encouraged to consolidate and extend consumer and financial education into the senior years of schooling. It is in these years that students develop a growing personal familiarity and engagement with consumer and financial contexts, making it more likely for them to develop deep understandings and appreciate connections between concepts.

⁶ The importance of building consumer and financial capabilities in Australian students was agreed nationally for the first time in 2005 and a National Consumer and Financial Literacy Framework was developed under the auspices of the then Ministerial Committee for Education, Employment, Training and Youth Affairs (MCEETYA).

⁷ See www.flb.gov.au for information about the Financial Literacy Board.

⁸ See Appendix 2 for more information.

⁹ The Australian Association for Mathematics Teachers, the Australian Science Teachers Association, Business Educators Australasia and the Victorian Association for the Teaching of English were consulted on the draft revised Framework. These associations provided recommendations to ASIC in 2010 /2011 on how the National Framework could be improved.

¹⁰ The revised Framework has drawn on guidance material developed by the OECD's International Network on Financial Education to support financial education at school [INFE (2011)9] as well as the financial education frameworks of a number of countries, specifically, Financial education for 7–19 year olds in Wales (Welsh Assembly Government, 2010); Financial Education: Developing skills for learning, life and work (Learning and Teaching Scotland, 2010) and the New Zealand Financial Capability Progressions (NZ Ministry of Education, 2009).

¹¹ Especially outcomes 1, 2 and 4, which are: children have a strong sense of identity; children are connected with and contribute to their world; and children are confident and involved learners. The Early Years Learning Framework is available at: www.deewr.gov.au/earlychildhood/policy_agenda/quality/pages/earlyyearslearningframework.aspx

Background

Financial decisions, like many decisions in life, are complex and highly contextual. The expanding body of literature on behavioural economics reflects the sustained interest from academics, policy makers and educators in further understanding motivation, and how and why individuals make choices. This literature, in the current context, has much to offer those who seek to build consumer and financial capability and resilience in young people. Overall, the research¹² suggests the following:

- A number of factors appear to influence people's knowledge and understanding of financial matters, including their attitudes and beliefs about money, their confidence levels, their interest and engagement levels and their socio-demographic characteristics (e.g. age, gender, level of education, income).
- People tend to know and understand simple day-to-day money management concepts like budgeting, credit, savings and debt, but struggle with more complex concepts like investments, superannuation and saving for retirement.
- Most people rely on a wide range of information and advice services when researching financial decisions and/or trying to gain financial knowledge, including informal sources (e.g. family and friends, newspapers) and formal sources (e.g. financial advisers/accountants and product providers).
- There is a significant mismatch between what people say they know, and what they do know.

The 2008 ANZ Survey of Adult Financial Literacy in Australia found that overall the lowest levels of financial literacy can be found among those aged 18–24 years and over 70 years, those with low levels of education (Year 10 or less) and low socio-economic status.¹³ Sound consumer and financial skills help individuals and families make the most of opportunities, to achieve their goals and to secure financial wellbeing. By developing foundational consumer and financial knowledge, skills, values and behaviours from an early age, all Australian students, including those from the most disadvantaged backgrounds, will be better equipped to overcome or avoid financial exclusion.

The ongoing instability in world markets subsequent to the Global Financial Crisis in 2008 demonstrates the intricate connections between markets and consumer and financial behaviour around risk and reward. This also demonstrates the need to reinforce core concepts that contribute to financial literacy such as budgeting and saving, living within one's means, responsible use of credit, diversification and investing only in products that are understood.¹⁴

¹² *Financial Literacy and Behavioural Change* report, (ASIC, 2011).

¹³ *ANZ Survey of adult financial literacy in Australia*, Australia and New Zealand Banking Group (ANZ) 2008. (The Social Research Centre) pages 4–5.

¹⁴ *National Financial Literacy Strategy*, (ASIC, 2011).

NATIONAL EDUCATION CONTEXT

The *Melbourne Declaration on Educational Goals for Young Australians* (Melbourne Declaration) acknowledges that school education in the 21st century should equip young people with ‘the knowledge, understanding, skills and values to take advantage of opportunity and to face the challenges of this era with confidence’. Under the Melbourne Declaration (which sets the direction for Australian schooling for the next 10 years), the Australian Government and all state and territory governments have committed to work collaboratively so that:

- Australian schooling promotes equity and excellence (Goal 1)
- all young Australians become successful learners; confident and creative individuals; and active and informed citizens (Goal 2).

Consumer and financial education will support the attainment of these educational goals by empowering students with the knowledge, skills, values and behaviours needed to make responsible and informed consumer and financial decisions, vital to effectively managing life and work in the 21st century.

In particular, consumer and financial education makes a significant contribution to Goal 2 of the Melbourne Declaration. Consumer and financial literacy encompasses both knowing about money matters and being able to apply that knowledge effectively across a range of contexts, including in online and digital environments. Students develop important knowledge, skills, values and behaviours that enable them to:

- be enterprising, show initiative and use their creative abilities
- embrace opportunities, make rational and informed decisions about their own lives and accept responsibility for their own actions
- be well-prepared for their potential life roles as family, community and workforce members
- become responsible global and local citizens.¹⁵

With the development of the Australian Curriculum, there are renewed opportunities to engage students in consumer and financial education in and across specific disciplines, as well as through the general capabilities and the cross-curriculum priorities.¹⁶ Appendix 1 provides a general discussion of the connections between consumer and financial education and the Australian Curriculum’s general capabilities and cross-curriculum priorities. The companion resources¹⁷ to the Framework, being developed by ASIC, elaborate on these links as well as make connections to specific curriculum content.

¹⁵ *Melbourne Declaration on Educational Goals for Young Australians*, (MCEETYA, 2008), pages 8 and 9.

¹⁶ See www.australiancurriculum.edu.au/ for information about the role of the general capabilities and the cross-curriculum priorities in the Australian Curriculum.

¹⁷ These resources will be available at www.teaching.financialliteracy.gov.au

INTERNATIONAL CONTEXT

In recent years, developed and emerging economies have become increasingly interested in the level of financial literacy of their citizens. This has coincided with an increase in many households' exposure to financial markets (e.g. via their retirement savings), shifting demographic profiles including the ageing of the population, and growth in the complexity and range of financial products available. Furthermore, economic and technological developments have brought greater global connectedness and massive changes in communications and financial transactions, as well as in social interactions and consumer behaviour. As a result, financial literacy is now globally acknowledged as an important policy priority.¹⁸

In 2005, the Organisation for Economic Co-operation and Development (OECD) stated that financial education should start at school and as early as possible.¹⁹ In recognition of the increasingly global nature of financial literacy and education issues, the OECD created the International Network on Financial Education (INFE) in 2008. Developing analytical and comparative studies, methodologies, best practice case studies and guidelines have been key priorities for its work. This Framework has drawn on the INFE's work to ensure it is consistent with international best practice in its scope and content.

The INFE has identified strengthening financial education programs in schools and the international measurement of financial literacy, including through the Program for International Student Assessment (PISA), as top priorities. As part of PISA 2012, the OECD is conducting the first large-scale international study to assess the financial literacy of young people. Australia is participating in this study.

¹⁸ *Draft PISA 2012 Financial Literacy Framework* (2010), available at www.financial-education.org/

¹⁹ *Recommendation on Principles and Good Practices for Financial Education and Awareness* (OECD, 2005).

Consumer and Financial Literacy

DEFINING CONSUMER AND FINANCIAL CAPABILITIES

Individuals who are consumer and financially literate have the ability to apply knowledge, understanding, skills and values in consumer and financial contexts to make informed and effective decisions that have a positive impact on themselves, their families, the broader community and the environment.

DIMENSIONS

There are three interrelated dimensions of learning that underpin consumer and financial education in the Australian context:

Knowledge and understanding

Students learn about the nature, forms and value of money; income and expenditure; and language commonly used in a range of consumer and financial contexts. They understand that money can come from a variety of sources and is used to meet and finance our needs and wants, now and in the future. Students develop a critical appreciation of the factors that affect consumer choices, including the impact of advertising, ICT and media. They develop knowledge and understanding of consumer rights and responsibilities, the legal rights and responsibilities of business regarding goods and services provided to consumers, and the risks and complexities in the consumer and financial landscape. Students learn to identify scams and other risks and understand options for seeking advice or redress in consumer and financial contexts.

Competence

Students learn to appreciate that money is a finite resource and needs to be managed. In a variety of ‘real-life’ contexts, they learn to use a range of practical tools and strategies (including IT, digital and online tools) to keep financial records, manage their finances on a daily basis, and to plan for the future. They understand the need to balance risk against reward and learn to work out ‘best value’ when purchasing a range of goods and services and choosing financial products. They learn to discriminate between fact and opinion and to evaluate the claims made in advertising. Students also become alert to risks in a range of consumer and financial contexts and learn ways to manage these effectively.

Responsibility and enterprise

Students explore what it means to be a responsible and ethical consumer and learn how business has legal and ethical responsibilities towards consumers. They examine and reflect on their own roles as producers and consumers of goods and services and how this role fits into the broader national and global economic and social contexts. Students also explore the roles that socio-cultural influences and personal values play in consumer and financial decision-making and learn that there are often consequences of consumer and financial decisions that may impact not only on individuals, and their families but also on the broader community and the environment. Students exercise personal and shared responsibility and develop enterprising behaviours through the application of consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events.

PROGRESSION OF STUDENT LEARNING: FOUNDATION–YEAR 10

For some time, Australian teachers have been successfully incorporating consumer and financial education into their teaching programs through a range of cross-curricular and specific learning area approaches, often using ‘real-life’ contexts. With the introduction of the Australian Curriculum there are renewed opportunities to incorporate consumer and financial literacy across and within learning areas in ways that students find relevant, interesting, challenging and motivating.

Young people from different social and economic backgrounds have varied experiences of dealing with money. Teachers and schools are best placed to develop consumer and financial education programs and determine the most appropriate approaches taking into account students’ needs and their family, cultural and community backgrounds. For this reason the progression of student learning does not provide guidance on teaching strategies.

However, this Framework is being used to inform the development of a complete MoneySmart Teacher Package (the Package), linked to the phased development of the Australian Curriculum. The Package will include professional learning, units of work, guidance and support for parents, and other online resources. The Package linked to Phases 1 and 2 of the Australian Curriculum will be available on the MoneySmart Teaching website (www.teaching.moneySMART.gov.au) from mid 2013. ASIC will add to the Package once Phase 3 of the Australian Curriculum has been developed.

The following progression of student learning across Foundation–Year 10 was informed by the content of *Financial education for 7–19 year olds in Wales* (Welsh Assembly Government, 2010), *Financial Education: Developing skills for learning, life and work* (Learning and Teaching Scotland, 2010), and the *New Zealand Financial Capability Progressions* (NZ Ministry of Education, 2009).

Student learning is described in two-year bands for each dimension (Knowledge and Understanding, Competence, Responsibility and Enterprise), and represents what students should know, understand and be able to demonstrate at the end of each band. The student learning described at each band level is not intended to be a checklist for teaching ideas, rather to be a guide to support the development of students’ knowledge, skills, values and behaviours in a coherent manner over time.

The progression of student learning is also available in table form on pages 19–25.

YEAR 2

Knowledge and understanding

Students can:

- recognise Australian money includes notes and coins
- recognise that money is limited and comes from a variety of sources
- recognise that money can be saved to meet needs and wants
- explain how money is exchanged in return for goods and services
- identify and describe the differences between needs and wants.

Competence

Students can:

- use money to buy basic goods and services in ‘real-life’ contexts
- recognise common symbols and terms used on a variety of Australian notes and coins
- identify consumer and financial matters that are part of daily life such as earning money, spending, saving, paying bills, making donations
- compare the cost of similar items
- order spending preferences and explain reasons for their choices
- describe how advertising can influence consumer choices.

Responsibility and enterprise

Students can:

- identify simple ways the consumer decisions of individuals may impact on themselves, their families, the broader community and/or the environment
- identify and explain how peer pressure can affect what you buy
- apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, business ventures and special events
- demonstrate enterprising behaviours through participation in relevant class and/or school activities
- demonstrate awareness of safe, ethical and responsible behaviour in online and digital consumer and financial contexts
- demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making.

YEAR 4

Knowledge and understanding

Students can:

- explain some different forms that money can take
- identify different forms of income
- explain the role of work in society and distinguish between paid and unpaid work
- explain how saving money in a financial institution can earn interest
- explain why similar goods and services may vary in price
- identify, explain and prioritise different needs and wants
- recognise that different countries use different currencies.

Competence

Students can:

- use money to buy basic goods and services in 'real-life' contexts
- create simple budgets for specific purposes
- accurately complete simple financial forms, including for online transactions
- classify and compare goods and services
- order and discuss reasons for spending preferences
- discuss some options for paying for goods and services such as: cash, debit card, credit card and direct debit
- identify key features of a range of advertisements.

Responsibility and enterprise

Students can:

- identify and describe the impact that the consumer and financial decisions of individuals may have on themselves and their families, the broader community and/or the environment
- identify and explain how some influences, such as advertising and peer pressure, can affect what you buy
- apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, business ventures and special events
- exercise a range of enterprising behaviours through participation in relevant class and/or school activities
- describe safe, ethical and responsible behaviour in online and digital consumer and financial contexts
- explain the role played by the voluntary sector in the community to help those in financial need
- demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making.

YEAR 6

Knowledge and understanding

Students can:

- explain how financial transactions can include using more than notes and coins
- describe how an individual can influence their income
- explore the value of unpaid work to the community
- recognise that families use household income to meet regular financial commitments and immediate and future expenses
- analyse the value of a range of goods and services in relation to an identified need
- identify and discuss some rights and responsibilities of consumers and business
- explain how money can be borrowed to meet needs and wants and that there may be a cost involved
- recognise that the currencies of different countries have different values relative to the Australian dollar.

Competence

Students can:

- use a range of methods and tools to keep financial records in ‘real-life’ contexts
- create simple budgets for a range of purposes and explain the benefits of saving for future needs and wants
- accurately complete and explain the purpose of financial forms, including for online transactions
- evaluate the value of a range of goods and services in a variety of ‘real-life’ situations
- order and justify reasons for spending preferences
- discuss various payment options for purchasing goods and services such as: cash, debit card, credit card, direct debit and PayPal
- interpret information from a variety of invoice accounts including information presented graphically such as in electricity accounts
- identify key features used in advertising, marketing and social media to influence consumer decision-making.

Responsibility and enterprise

Students can:

- identify and describe the impact that the consumer decisions of individuals may have on themselves and their families, the broader community and/or the environment
- examine and discuss the external factors that influence consumer choices
- explain there are ethical considerations to some consumer and financial decisions
- apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events
- exercise a range of enterprising behaviours through participation in relevant class and/or school activities
- practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts
- recognise that satisfaction derived from spending money varies according to the nature of the purchase, the context in which it is bought and an individual’s personal circumstances and values
- recognise that matching household expenditure against income is important
- explain the role played by the voluntary sector in the community to help those in financial need
- demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making.

YEAR 8

Knowledge and understanding

Students can:

- identify and explain the importance of tracking and verifying transactions and keeping financial records to manage income and expenses
- identify and discuss casual employment opportunities that can earn income
- identify the role of casual employment in the community and some associated rights and responsibilities
- explain why it is important to set and prioritise personal financial goals
- research, identify and discuss the rights and responsibilities of consumers in a range of ‘real-life’ contexts
- research, identify and discuss the legal rights and responsibilities of business regarding goods and services provided to consumers
- identify implications of ‘terms and conditions’ such as fees, penalties, interest and warranties
- identify and discuss the different forms of ‘credit’ and costs involved
- analyse and explain the range of factors affecting consumer choices
- identify where to access reliable information and advice concerning the rights and responsibilities of consumers and business
- identify the risks within the consumer and financial landscape such as scams, identity theft, fraudulent transactions and ways of avoiding these.

Competence

Students can:

- use a range of methods and tools to keep financial records in ‘real-life contexts’
- create simple budgets and financial records to achieve specific financial goals
- compare income, spending commitments and life-styles at different stages of life
- accurately complete and explain the purpose of a range of financial forms, including for online transactions
- determine the value of ‘deals’ when purchasing goods and services such as ‘buy one, get one free’
- determine and compare the actual cost of using different ways of paying for goods and services such as cash, credit, lay-by and loans
- justify the selection of a range of goods and services in a variety of ‘real-life’ contexts
- convert from one currency to another in ‘real-life’ contexts
- explore the pros and cons of a range of payment options for goods and services such as: cash, debit card, credit card, direct debit, PayPal, BPay, pre-pay options, phone and electronic funds transfer
- explain procedures for safe and secure online banking and shopping
- identify and take precautions to prevent identity theft and explain what to do if this happens to them
- access and evaluate information on strategies to resolve consumer disputes
- identify and explain marketing strategies used in advertising and social media to influence consumer decision-making.

Responsibility and enterprise

Students can:

- explain how individual and collective consumer decisions may have an impact on the broader community and/or the environment
- apply informed and assertive consumer decision-making in a range of ‘real-life’ contexts
- discuss the legal and ethical issues associated with advertising and providing goods and services to consumers
- apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events
- exercise a range of enterprising behaviours through participation in relevant class and/or school activities
- practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts
- recognise the importance of planning for their financial futures and appreciate that sacrificing current expenditure can bring long-term benefits
- recognise that people have different ways of living and expectations according to their values and/or financial situation
- recognise that their ability to make informed decisions about personal finance and financial products is strengthened by finding and evaluating relevant information and accessing reliable advice
- explain the role of banks and other deposit-taking institutions (such as building societies and credit unions) in providing financial products and services to individual consumers and business
- explain the role played by governments and the voluntary sector in the community to help those in financial need and explore the cost benefit to the economy
- demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making.

YEAR 10

Knowledge and understanding

Students can:

- identify and explain strategies to manage personal finances
- explain the different ways in which people are paid including wages, salaries, commissions, self-employment and government benefits
- identify and explain common terminology and categories for deductions used on pay slips
- explain the various factors that may impact on achieving personal financial goals
- discuss why some goods and services are provided by Government for community benefit and how these are funded
- explain how over-reliance on credit can impact on future choices
- analyse and explain the range of factors affecting consumer choices
- discuss and compare different sources of consumer and financial advice
- identify types of consumer and financial risks to individuals, families and the broader community, and ways of managing them.

Competence

Students can:

- use a range of methods and tools to keep financial records in ‘real-life contexts’
- create simple budgets and financial records to achieve specific financial goals, now and in the future
- investigate the financial decisions required at significant life-stage events
- accurately complete and explain the purpose of a range of financial forms, including for online transactions
- discuss the differences between ‘good’ and ‘bad’ debt, including manageability of debt and its long-term impact
- analyse relevant information to make informed choices when purchasing goods and services and/or to resolve consumer choices
- compare overall ‘value’ of a range of goods and services using IT tools and comparison websites as appropriate
- convert from one currency to another in ‘real-life’ contexts
- evaluate the range of payment options for goods and services such as: cash, debit card, credit card, direct debit, PayPal, BPay, pre-pay options, phone and electronic funds transfer across a variety of ‘real-life’ contexts
- explain procedures for safe and secure online banking and shopping
- identify and take precautions to prevent identity theft and explain what to do if this happens to them
- explain the procedures for resolving consumer disputes relating to a range of goods and services
- evaluate marketing claims, for example in advertising and in social media, to influence consumers to purchase a range of goods and services.

Responsibility and enterprise

Students can:

- research and identify the ethical and moral dimensions of consumer choices in specific circumstances and the consequences for themselves, their families, the broader community and/or the environment
- explore the economic cost of individual and collective consumer decisions on the broader community and the environment
- apply informed and assertive consumer decision-making in a range of ‘real-life’ contexts
- research and discuss the legal and ethical rights and responsibilities of business in advertising and providing goods and services to consumers
- apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events
- exercise a range of enterprising behaviours through participation in relevant class and/or school activities
- practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts
- appreciate that there is often no one right answer in making financial decisions because these depend on individual circumstances, preferences and values
- understand and explain the legal responsibilities of taking on debt, including the consequences of not paying
- explain how, as financially active citizens, they fit into the broader economy and society through:
 - generating income and paying taxes
 - saving
 - spending
 - donating
 - investing.
- explain the role of banks and other deposit taking institutions (e.g. credit unions, building societies) in collecting deposits, pooling savings and lending them to individuals and business
- explain the role played by governments and the voluntary sector in the community to help those in financial need and explore the cost benefit to the economy
- demonstrate awareness that family and socio-cultural values and customs can influence consumer behaviour and financial decisions.

**NATIONAL CONSUMER AND FINANCIAL LITERACY FRAMEWORK:
PROGRESSION OF STUDENT LEARNING FOUNDATION–YEAR 10**

Knowledge and understanding: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> recognise Australian money includes notes and coins. 	<ul style="list-style-type: none"> explain some different forms that ‘money’ can take. 	<ul style="list-style-type: none"> explain how financial transactions can include using more than notes and coins. 	<ul style="list-style-type: none"> identify and explain the importance of tracking and verifying transactions and keeping financial records to manage income and expenses. 	<ul style="list-style-type: none"> identify and explain strategies to manage personal finances.
<ul style="list-style-type: none"> recognise that money is limited and comes from a variety of sources. 	<ul style="list-style-type: none"> identify different forms of income. explain the role of work in society and distinguish between paid and unpaid work. 	<ul style="list-style-type: none"> describe how an individual can influence their income. explore the value of unpaid work to the community. 	<ul style="list-style-type: none"> identify and discuss casual employment opportunities that can earn income. identify the role of casual employment in the community and some associated rights and responsibilities. 	<ul style="list-style-type: none"> explain the different ways in which people are paid including wages, salaries, commissions, self-employment and government benefits. identify and explain common terminology and categories for deductions used on pay slips.
<ul style="list-style-type: none"> recognise that money can be saved to meet needs and wants. 	<ul style="list-style-type: none"> explain how saving money in a financial institution can earn interest. 	<ul style="list-style-type: none"> recognise that families use household income to meet regular financial commitments and immediate and future expenses. 	<ul style="list-style-type: none"> explain why it is important to set and prioritise personal financial goals. 	<ul style="list-style-type: none"> explain the various factors that may impact on achieving personal financial goals.
<ul style="list-style-type: none"> explain how money is exchanged in return for goods and services. 	<ul style="list-style-type: none"> explain why similar goods and services may vary in price. 	<ul style="list-style-type: none"> analyse the value of a range of goods and services in relation to an identified need. identify and discuss some rights and responsibilities of consumers and business. 	<ul style="list-style-type: none"> research, identify and discuss the rights and responsibilities of consumers in a range of ‘real-life’ contexts. research, identify and discuss the legal rights and responsibilities of business regarding goods and services provided to consumers. identify implications of ‘terms and conditions’ such as fees, penalties, interest and warranties. 	<ul style="list-style-type: none"> discuss why some goods and services are provided by Government for community benefit and how these are funded.

Knowledge and understanding: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> • identify and describe the differences between needs and wants. 	<ul style="list-style-type: none"> • identify, explain and prioritise different needs and wants. • recognise that different countries use different currencies. 	<ul style="list-style-type: none"> • explain how money can be borrowed to meet needs and wants and that there may be a cost involved. • recognise that the currencies of different countries have different values relative to the Australian dollar. 	<ul style="list-style-type: none"> • identify and discuss the different forms of 'credit' and costs involved. • analyse and explain the range of factors affecting consumer choices. • identify where to access reliable information and advice concerning the rights and responsibilities of consumers and business. • identify the risks within consumer and financial landscape such as scams, identity theft, fraudulent transactions and ways of avoiding these. 	<ul style="list-style-type: none"> • explain how over-reliance on credit can impact on future choices. • analyse and explain the range of factors affecting consumer choices. • discuss and compare different sources of consumer and financial advice. • identify types of consumer and financial risks to individuals, families and community and ways of managing them.

Competence: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> • use money to buy basic goods and services in 'real-life' contexts. • recognise common symbols and terms used on a variety of Australian notes and coins. 	<ul style="list-style-type: none"> • use money to buy basic goods and services in 'real-life' contexts. 	<ul style="list-style-type: none"> • use a range of methods and tools to keep financial records in 'real-life contexts'. 	<ul style="list-style-type: none"> • use a range of methods and tools to keep financial records in 'real-life contexts'. 	<ul style="list-style-type: none"> • use a range of methods and tools to keep financial records in 'real-life' contexts.
<ul style="list-style-type: none"> • identify consumer and financial matters that are part of daily life such as earning money, spending, saving, paying bills, making donations. 	<ul style="list-style-type: none"> • create simple budgets for specific purposes. • accurately complete simple financial forms, including for online transactions. 	<ul style="list-style-type: none"> • create simple budgets for a range of purposes and explain the benefits of saving for future needs and wants. • accurately complete and explain the purpose of financial forms, including for online transactions. 	<ul style="list-style-type: none"> • create simple budgets and financial records to achieve specific financial goals. • compare income, spending commitments and life-styles at different stages of life. • accurately complete and explain the purpose of a range of financial forms, including for online transactions. 	<ul style="list-style-type: none"> • create simple budgets and financial records to achieve specific financial goals, now and in the future. • investigate the financial decisions required at significant life-stage events. • accurately complete and explain the purpose of a range of financial forms, including for online transactions. • discuss the differences between 'good' and 'bad' debt, including manageability of debt and its long-term impact.
<ul style="list-style-type: none"> • compare the cost of similar items. 	<ul style="list-style-type: none"> • classify and compare goods and services. 	<ul style="list-style-type: none"> • evaluate the value of a range of goods and services in a variety of 'real-life' situations. 	<ul style="list-style-type: none"> • determine the value of 'deals' when purchasing goods and services such as 'buy one, get one free'. • determine and compare the actual cost of using different ways of paying for goods and services such as cash, credit, lay-by and loans. 	<ul style="list-style-type: none"> • analyse relevant information to make informed choices when purchasing goods and services and/or to resolve consumer choices.

Competence: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> order spending preferences and explain reasons for their choices. 	<ul style="list-style-type: none"> order and discuss reasons for spending preferences. discuss some options for paying for goods and services such as cash, debit card, credit card and direct debit. 	<ul style="list-style-type: none"> order and justify reasons for spending preferences. discuss various payment options for purchasing goods and services such as: cash, debit card, credit card, direct debit and Paypal. interpret information from a variety of invoice accounts including information presented graphically such as in electricity accounts. 	<ul style="list-style-type: none"> justify the selection of a range of goods and services in a variety of 'real-life' contexts. convert from one currency to another in 'real-life' contexts. explore the pros and cons of a range of payment options for goods and services such as: cash, debit card, credit card, direct debit, Paypal, BPay, pre-pay options, phone and electronic funds transfer. explain procedures for safe and secure online banking and shopping. identify and take precautions to prevent identity theft and explain what to do if this happens to them. access and evaluate information on strategies to resolve consumer disputes. 	<ul style="list-style-type: none"> compare overall 'value' of a range of goods and services using IT tools and comparison websites as appropriate. convert from one currency to another in 'real-life' contexts. evaluate the range of payment options for goods and services such as: cash, debit card, credit card, direct debit, Paypal, BPay, pre-pay options, phone and electronic funds transfer across a variety of 'real-life' contexts. explain procedures for safe and secure online banking and shopping. identify and take precautions to prevent identity theft and explain what to do if this happens to them. explain the procedures for resolving consumer disputes relating to a range of goods and services.
<ul style="list-style-type: none"> describe how advertising can influence consumer choices. 	<ul style="list-style-type: none"> identify key features of a range of advertisements. 	<ul style="list-style-type: none"> identify key features used in advertising, marketing and social media to influence consumer decision-making. 	<ul style="list-style-type: none"> identify and explain marketing strategies used in advertising and social media to influence consumer decision-making. 	<ul style="list-style-type: none"> evaluate marketing claims, for example in advertising and in social media, to influence consumers to purchase a range of goods and services.

Responsibility and enterprise: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> • identify simple ways the consumer decisions of individuals may impact on themselves, their families, the broader community and/or the environment. 	<ul style="list-style-type: none"> • identify and describe the impact that the consumer and financial decisions of individuals may have on themselves, their families, the broader community and/or the environment. 	<ul style="list-style-type: none"> • identify and describe the impact that the consumer and financial decisions of individuals may have on themselves, their families, the broader community and/or the environment. 	<ul style="list-style-type: none"> • explain how individual and collective consumer decisions may impact on the broader community and the environment. 	<ul style="list-style-type: none"> • research and identify the ethical and moral dimensions of consumer choices in specific circumstances and the consequences for themselves, their families, the broader community and/or the environment. • explore the economic cost of individual and collective consumer decisions on the broader community and the environment.
<ul style="list-style-type: none"> • identify and explain how peer pressure can affect what you buy. 	<ul style="list-style-type: none"> • identify and explain how some influences, such as advertising and peer pressure, can affect what you buy. 	<ul style="list-style-type: none"> • examine and discuss the external factors that influence consumer choices. • explain there are ethical considerations to some consumer and financial decisions. 	<ul style="list-style-type: none"> • apply informed and assertive consumer decision-making in a range of 'real-life' contexts. • discuss the legal and ethical issues associated with advertising and providing goods and services to consumers. 	<ul style="list-style-type: none"> • apply informed and assertive consumer decision-making in a range of 'real-life' contexts. • research and discuss the legal and ethical rights and responsibilities of business in providing goods and services to consumers.
<ul style="list-style-type: none"> • apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, business ventures and special events. 	<ul style="list-style-type: none"> • apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, business ventures and special events. 	<ul style="list-style-type: none"> • apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events. 	<ul style="list-style-type: none"> • apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events. 	<ul style="list-style-type: none"> • apply consumer and financial knowledge and skills in relevant class and/or school activities such as student investigations, charity fundraising, product design and development, business ventures and special events.
<ul style="list-style-type: none"> • demonstrate enterprising behaviours through participation in relevant class and/or school activities. 	<ul style="list-style-type: none"> • exercise a range of enterprising behaviours through participation in relevant class and/or school activities. 	<ul style="list-style-type: none"> • exercise a range of enterprising behaviours through participation in relevant class and/or school activities. 	<ul style="list-style-type: none"> • exercise a range of enterprising behaviours through participation in relevant class and/or school activities. 	<ul style="list-style-type: none"> • exercise a range of enterprising behaviours through participation in relevant class and/or school activities.

Responsibility and enterprise: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> demonstrate awareness of safe, ethical and responsible behaviour in online and digital consumer and financial contexts. 	<ul style="list-style-type: none"> practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts. 	<ul style="list-style-type: none"> practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts. recognise that satisfaction derived from spending money varies according to the nature of the purchase, the context in which it is bought and an individual's personal circumstances and values. recognise that matching household expenditure against income is important. 	<ul style="list-style-type: none"> practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts. recognise the importance of planning for their financial futures and appreciate that sacrificing current expenditure can bring long-term benefits. recognise that people have different ways of living and expectations according to their values and /or financial situations. recognise that their ability to make informed decisions about personal finance and financial products is strengthened by finding and evaluating relevant information and accessing reliable advice. explain the role of banks and other deposit-taking institutions (such as building societies and credit unions) in providing financial products and services to individual consumers and business. explain the role played by governments and the voluntary sector in the community to help those in financial need and explore the cost benefit to the economy. 	<ul style="list-style-type: none"> practise safe, ethical and responsible behaviour in online and digital consumer and financial contexts. appreciate that there is often no one right answer in making financial decisions because these depend on individual circumstances, preferences and values. understand and explain the legal responsibilities of taking on debt, including the consequences of not paying. explain how, as financially active citizens, they fit into the broader economy and society through: <ul style="list-style-type: none"> generating income and paying taxes; saving; spending; donating; and investing. explain the role of banks and other deposit-taking institutions (such as building societies and credit unions) in collecting deposits, pooling savings and lending them to individuals and business. explain the role played by governments and the voluntary sector in the community to help those in financial need and explore the cost benefit to the economy
	<ul style="list-style-type: none"> explain the role played by the voluntary sector in the community to help those in financial need. 	<ul style="list-style-type: none"> explain the role played by the voluntary sector in the community to help those in financial need. 		

Responsibility and enterprise: Students can...				
Year 2	Year 4	Year 6	Year 8	Year 10
<ul style="list-style-type: none"> demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making. 	<ul style="list-style-type: none"> demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making. 	<ul style="list-style-type: none"> demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making. 	<ul style="list-style-type: none"> demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making. 	<ul style="list-style-type: none"> demonstrate awareness that family, community and socio-cultural values and customs can influence consumer behaviour and financial decision-making.

Appendix 1

LINKS TO THE AUSTRALIAN CURRICULUM GENERAL CAPABILITIES

In the Australian Curriculum, general capabilities are embedded within the content of each learning area. Consumer and financial education can provide a wealth of engaging opportunities for teachers to develop students' general capabilities.

Literacy

Learning the language necessary for effectively negotiating consumer and financial contexts is empowering for students and helps extend their understanding that language is shaped by the social and cultural context in which it occurs. Through 'real-life' consumer and financial contexts, students can develop literacy skills through research, creation of texts for a range of purposes and audiences, role-play and debate. Furthermore these engaging contexts provide many opportunities for students to locate and share information, argue, persuade, explore issues and offer and evaluate opinions. Students learn to listen to and value the viewpoints of others. They have opportunities to consider and analyse the ways in which we interpret and can be influenced by language and text drawn from a range of media.

Numeracy

Numeracy requires contextual and strategic knowledge as well as mathematical skills. Consumer and financial education is strongly linked to numeracy and provides rich opportunities for students to build their ability to 'think and do' mathematically in personal, social and work situations in meaningful ways. Through authentic consumer and financial contexts, students learn to apply their numeracy skills by solving problems such as determining best value for money and assessing investment options. They have abundant opportunities to interpret and evaluate statistical information and identify trends and patterns. Through such opportunities they develop the ability to make informed decisions and assess risk based on sound reasoning.

Information and communication technology (ICT) competence

Through consumer and financial education, students develop their ICT competence by communicating and sharing information; using technology to research and evaluate information to support effective decision-making; and to investigate options, generate plans, efficient and appropriate processes and solutions to problems. They learn to question validity and reliability of information sources. They have opportunities to develop an understanding of practices that mislead or threaten the integrity of information in the online environment such as advertising, fraud, scams and phishing. Consumer and financial contexts provide authentic avenues for students to learn to protect their personal security in online and digital environments.

Critical and creative thinking

Critical and creative thinking skills are key to the development of consumer and financial capability. Through application of consumer and financial knowledge and skills in practical ‘real-life’ contexts, students have rich opportunities to develop their critical thinking through the processes of analysing, evaluating and synthesising information and reflecting on their choices and decisions. They learn to discriminate between fact and opinion, question the reliability of evidence and consider alternatives. They also have the opportunity to foster their creative thinking and practise a range of enterprising behaviours through participation in relevant class and/or school activities.

Ethical behaviour

Consumer and financial education contributes to the development of responsible and ethical attitudes and behaviours. Students have opportunities to explore personal values with respect to money and consumer behaviours. They are able to reflect on, discuss and debate the moral and ethical dimensions of their consumer and financial decisions and investigate the broader impact these have on themselves, their families, their community and wider society.

Personal and social competence

Consumer and financial education not only equips students with personal money management skills but also encourages self-awareness when it comes to their consumer attitudes and behaviour. Inquiry based learning and co-operative learning strategies are often used in teaching consumer and financial education. The ‘real-life’ contexts for such learning help students develop personal and social competence in situations that are engaging and relevant to them and that help them understand and find strategies to manage themselves as well as develop important enterprising behaviours such as planning and organising, working productively with others, adaptability and resilience.

Intercultural understanding

Through study of authentic texts drawn from a range of media, Students are able to investigate and reflect on commonalities and differences between people and cultures regarding consumer and financial attitudes, values, beliefs, customs, and behaviours. They are able to empathise with and respect diversity. This is important given the increasingly interconnected and interdependent world within which students are growing up.

LINKS TO THE AUSTRALIAN CURRICULUM'S CROSS-CURRICULUM PRIORITIES

The Australian Curriculum gives special attention to three cross-curriculum priorities:²⁰

Aboriginal and Torres Strait Islander histories and cultures which will allow all young Australians the opportunity to gain a deeper understanding and appreciation of Aboriginal and Torres Strait Islander histories and cultures, their significance for Australia and the impact these have had, and continue to have, on our world.

- Consumer and financial education offers teachers and students a valuable chance to explore and appreciate the similarities and differences between Indigenous and non-Indigenous Australians regarding consumer and financial attitudes, values, customs, beliefs and behaviours.

Asia and Australia's engagement with Asia which will allow all young Australians to develop a better understanding of the countries and cultures of the Asia region. Students will develop an appreciation of the economic, political and cultural interconnections that Australia has with the region.

- There is great potential for consumer and financial contexts to develop students' awareness of Asian economies and understanding about the importance of these economies to Australia and the global marketplace. Through study of Asian economies, languages and cultures students can appreciate the socio-cultural values, attitudes and behaviours associated with money and consumer behaviour. They can also learn how markets are both co-dependent and interdependent.

Sustainability, which will allow all young Australians to develop an appreciation of the need for more sustainable patterns of living, and to build the capacities for thinking and acting that are necessary to create a more sustainable future.

- Consumer and financial contexts are very relevant to curriculum content in a range of learning areas related to environmental issues of sustainability, environmental management and use of resources and through discussion of ethical decision-making. Students are able to develop an appreciation of the economic dimension of sustainability and the wider impact of the everyday consumer decisions that individuals, families and communities make.

²⁰ The text in this section is adapted from the ACARA website at: www.acara.edu.au/curriculum/cross_curriculum_priorities.html

Appendix 2

ACKNOWLEDGEMENTS

Members of ASIC's National Reference Group – Consumer and Financial Literacy in Schools

Ms Anna Brazier, QLD Department of Education and Training

Mr Brian Elliott, NSW Department of Education and Training

Mr Paul Horsfall, NSW Office of Fair Trading

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Ms Aine Maher, Independent Schools Victoria

Mr Shane O'Connor, Consumer Affairs Victoria

Ms Jennifer Quick, Victorian Curriculum and Assessment Authority

Ms Lolla Stewart, NT Department of Education and Training

Ms Suze Strowger, Ministry of Education, New Zealand

Dr Vin Thomas, Catholic Education South Australia

Ms Sue Tolbert, Tasmanian Department of Education

Ms Anne Walter, Department of Education Employment and Workplace Relations

Ms Patricia Wilks, ACT Department of Education and Training

Ms Marilyn Yates, WA Department of Education and Training

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Representatives from the Australian Securities and Investments Commission

Consumers, Advisors and Retail Investors – Financial Literacy team:

Mr Peter Cuzner

Ms Judy Gordon

The Australian Government Financial Literacy Board

Chairman – Mr Paul Clitheroe AM, Executive Director, ipac securities

Group Captain Robert Brown, Chairman, Australian Defence Force Financial Services Consumer Council

Mr Hamish Douglass, Chief Executive Officer, Magellan Financial Group Limited

Mr Craig Dunn, Chief Executive Officer, AMP

Ms Linda Elkins, General Manager, Marketing, Colonial First State

Ms Fiona Guthrie, Executive Director, the Australian Financial Counselling and Credit Reform Association (AFCCRA)

Ms Elaine Henry OAM, BSc (Hons 1), D Litt (h.c.), Company Director

Mr Peter Kell, Deputy Chairman, Australian Competition and Consumer Commission

Mr Anthony Mackay, Executive Director of the Centre for Strategic Education

Mr Ian Silk, Chief Executive Officer of AustralianSuper

Mr Michael Smith OBE, Chief Executive Officer of the ANZ Banking Group

Mr Robert Thomas, Chairman, Gardner Smith (Holdings) Pty Limited

Teacher Professional Associations

The Australian Association of Mathematics Teachers Inc.

The Australian Science Teachers Association

Business Educators Australasia Inc.

The Victorian Association for the Teaching of English Inc.