

Senate Standing Committee on Economics

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Question: aet 50

Topic: ASIC & the Financial Literacy Foundation

Hansard Page: Written

Senator EGGLESTON asked:

1. When this Government took office, it merged the Financial Literacy Foundation with ASIC. Can ASIC give the committee the status of the Financial Literacy Foundation and any current programs being undertaken by the Foundation to educate investors?
2. What was the budget provided to the Financial Literacy Foundation in 2009-10?
3. Does the Foundation have any Key Performance Indicators that it is required to meet? Can ASIC detail whether the Foundation met these indicators in 2008-09?

Answer:

1. From 1 July 2008 ASIC assumed responsibility for financial literacy at the Commonwealth level. As part of this transfer of responsibility ASIC assumed the functions previously performed by the Financial Literacy Foundation (which had been established in 2005 and had been part of the Department of Treasury) including the role of Secretariat for the Australian Government Financial Literacy Board.

ASIC's financial literacy activities are part of the business as usual of its Financial Literacy and Consumers and Retail Investors team and this now includes the work of the Financial Literacy Foundation.

ASIC's activities in investor education include developing and distributing educational information and material that reaches all Australians at various stages of their lives to help improve their financial literacy and understanding of safe investing principles. ASIC does this as part of its overall responsibilities to assist and protect all consumers and retail investors.

This work is done both online and using printed publications and channels such as radio. Current educational content on the FIDO website and in publications includes:

- 'Thinking of Using The Equity In Your Home?' (on reverse mortgages);
- 'Investing Between The Flags' (a practical guide to the principles for investing and steps to take);

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- 'Getting advice' (information on personal financial advice such as finding the right financial adviser and advice);
- 'Super Decisions' (essential facts about super, finding out about funds and keeping track of your super);
- 'Your money' (about budgeting, loans, insurance and superannuation); and
- publications on investing in corporate bonds, debentures, mortgage funds, property trusts and self-managed super.

The FIDO website also provides interactive tools, calculators and quizzes. ASIC attends investor expos, provides seminar content and distributes its educational materials using outreach programs and partnerships with other organizations.

ASIC's financial literacy work is also undertaken in the education sector across schools, universities, vocational education/training, the adult and community sector and workplaces; and includes professional learning for teachers, specific competencies in the vocational training sector and partnerships with indigenous schools and their communities.

2. The Financial Literacy Foundation ceased to exist from 30 May 2008. Its functions were transferred to ASIC as of 1 July 2008 and ASIC absorbed the cost of this transfer. No separate funding is provided to ASIC for its financial literacy and investor education work.
3. The Financial Literacy Foundation ceased to exist from 30 May 2008.

Performance indicators for ASIC's regulatory and information functions generally are set out in its Service Charter and results against these indicators are reported in each ASIC annual report.