

Media Release

The Hon James Merlino MP

Deputy Premier

Minister for Education

Minister for Mental Health



Sunday, 29 November 2020

SCHOOL BANKING PROGRAMS TO BE BANNED

Banks and financial institutions will be banned from delivering school banking programs in Victorian government schools from 2021 and replaced with quality school-led programs to improve students' financial skills.

The findings of the Royal Commission into the Banking and Financial Services Industry highlighted the importance of financial literacy and education in schools and the economic fallout of coronavirus has further underscored this need.

However, there is very little evidence to suggest school banking programs teach students lasting habits to improve financial literacy.

Students, teachers and families have also frequently raised concerns about the quality of education and financial literacy outcomes delivered by school banking programs.

Concerns have also been repeatedly raised about banks using inappropriate tactics such as luring children with prizes and incentives to develop trust and loyalty in banks at an inappropriate age. There have also been reports around the inappropriate promotion of credit cards to primary school aged children.

Additionally, interest rates offered through school banking programs are unfairly low, resulting in students missing out on compounding interest, one of the key benefits that comes with saving money and banking.

To improve students' financial literacy, the Andrews Labor Government will introduce new teaching resources as well as practical information and tips for students on taxation and how to identify and avoid scams. These resources will be developed in consultation with financial experts focused on what skills our students need.

From the start of 2021, these resources will replace low quality activities run by external organisations trying to find new customers.

Financial literacy skills are taught through the Victorian curriculum from Foundation to Year 10 in subjects such as Mathematics and Economics and Business. Students learn about financial decision making, as well as the rights and responsibilities of consumers.

The ban on banks and financial institutions delivering school banking will be introduced from Term 1, 2021.

Quotes attributable to Minister for Education James Merlino

"Victorian students deserve high quality financial literacy, free from commercial interests – that's why we're banning financial institutions from delivering school banking programs."

"The Victorian curriculum sets our expectations for financial literacy and that must be our focus. It is time to draw a line under this issue."