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To: The Treasury 24 July 2025
Submitted via: consult.treasury.gov.au

Economic Reform Roundtable

Ecstra Foundation welcomes the opportunity to contribute to the Economic Reform Roundtable process.

This submission urges the Government to prioritise strengthening national financial wellbeing by recommitting to a national financial capability strategy. Building better financial wellbeing across the population is not only a social imperative, but essential to improving productivity and enhancing economic resilience and contributes to long-term budget sustainability.

Key recommended actions

To support national productivity, resilience and wellbeing, we recommend the federal Government:

1. **Develop and implement a National Financial Capability Strategy**: Led by the federal Government, with a clear roadmap for boosting financial wellbeing, capability and literacy across life stages including in schools, tertiary education, workplaces, and communities
2. **Elevate financial literacy as a stand-alone compulsory subject in the Australian Curriculum**: Ensure every student receives consistent, quality financial education regardless of school or location
3. **Invest in resources, workshops, tools and training** to help educators deliver effective financial education.

See Ecstra Foundation's 2025-2026 Pre-Budget Submission and 2025 Federal Election Priorities for further detail on these recommended actions.

Financial capability drives productivity, resilience and wellbeing

Multiple factors are straining Australians' financial health, including cost of living pressures, inflation concerns, the increasing complexity of financial products and debt loads, at a time when Australia is experiencing declining financial literacy across the population (HILDA, 2022).

Financial capability is essential for full participation in Australian life. It directly influences financial, mental, physical, and social health, and equips people to manage everyday finances, plan for the future and build resilience in the face of economic shocks. It also underpins broader economic participation and productivity.

More than 70 countries, including G20 and OECD members, have recognised the critical importance of financial capability and have adopted national strategies. However, despite this global recognition, Australia currently lacks a sustained, whole-of-government national approach to financial literacy and capability (Social Ventures Australia for Ecstra Foundation, 2024).

Equipping Australians with the financial knowledge, skills, and protections they need to make informed decisions is essential to lifting long term personal and national economic resilience and wellbeing.

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Without coordinated action to address declining financial capability across the population, Australia risks compounding existing disadvantage for many people and undermining productivity.

A renewed **National Financial Capability Strategy** led by the federal Government would be a cost-effective investment delivering impact across multiple priority areas:

- **Stronger financial outcomes and resilience:** Evidence shows financial education improves financial behaviours and outcomes, especially in key areas such as budgeting, saving and credit use (Kaiser et al, 2022). These skills are vital for supporting stability in the face of inflation, housing stress, employment loss, and for navigating complex financial markets, scam avoidance and money management (Kaiser & Lusardi, 2024). Enhanced capability also boosts superannuation engagement and reduces retirement insecurity.
- **Improved workforce capability, adaptability and productivity:** Financial capability is critical in helping young Australians navigate the workplace and build the skills and knowledge they need to be productive and adaptive in a rapidly changing workforce landscape. It strengthens workplace productivity by reducing financial stress-related distractions and absenteeism, improving morale, and lowering turnover (Frontier Economics, 2025). Financial health impacts mental and physical health (see also below), with work participation strongly associated with health and mobility (Atkinson et al for ERSTE Foundation, 2025).
- **Better mental and physical health outcomes:** There is a clear and established link between financial health and mental and physical health outcomes. Australians experiencing financial distress are twice as likely to experience mental health challenges (Heartward Strategic on behalf of ASIC and Beyond Blue, 2022). Financial stability supports access to healthcare and contributes to better physical health outcomes.
- **Closing gender and equity gaps:** Improved financial literacy can help address socio-economic disadvantage (Thomson, 2020) and help improve women's long-term economic security (Women's Economic Equality Taskforce, 2023), ensuring no one is left behind.
- **Fairer energy transition:** As climate change and extreme weather drive up utility and insurance costs, displace people, and increase emotional stress, those already at risk face even greater hardship (CHOICE, 2023). A national strategy can help ensure no one is left behind in the transition to net zero by improving access to affordable financial products, helping people navigate financial product choices and ensuring policies and responses consider the needs of those most exposed to climate risks.
- **Budget sustainability:** Investing in financial capability delivers long-term budget benefits. Frontier Economics (2025) estimates population-wide improvements could result in significant savings on government expenditure through reduced reliance on government hardship programs (approximately $1 million annually) and healthcare savings (between approximately $9 billion- $11.6 billion annually).

Empowering the next generation through financial education

Productivity and reform conversations must include young Australians. Early access to financial literacy is crucial to preparing students for a world of rapid workplace change, digital disruption, and increasing financial complexity.

Australia's performance in the OECD PISA financial literacy assessment for 15-year-olds has declined since 2012, with no significant improvement in recent assessment cycles in which it participated. While financial literacy is embedded in the curriculum up to Year 10, it is not taught as a stand-alone subject. As a result, student exposure and experience varies, and students may miss out entirely in their later years of schooling.

To ensure every young person develops the financial skills, knowledge and behaviours they need, financial literacy should be elevated as a stand-alone, compulsory subject in the Australian Curriculum. This approach has proven effective overseas, for example many U.S. states now require personal finance education for graduation. Parents, teachers, and students overwhelmingly agree that financial education is critical for young people, with 97% of parents supporting school-based financial education (Ecstra Foundation, 2025).

Invest in resources, workshops, tools and training to support delivery of financial education

Consistent with the Productivity Commission's focus on improving school student outcomes with the best available tools and resources, continued investment is needed at the national level to ensure educators have access to evidence-based, independent resources, workshops, training and tools to deliver financial education.

By equipping teachers with the right resources and professional development, we can enhance the delivery of effective financial education and ensure students are better prepared for their financial futures.

Ecstra welcomes the opportunity to discuss the recommendations in our submission. For further information, please contact:

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About Ecstra Foundation

Ecstra Foundation is committed to a future where people can achieve their best financial wellbeing. Ecstra is relatively unique in Australia with a dedicated focus on supporting financial education, capability and wellbeing initiatives.

We invest in partnerships, programs and people to provide effective financial education at key life stages and to improve community financial capability and wellbeing. We also support a range of consumer organisations working to address the many structural barriers to greater financial inclusion and economic security.

Our flagship financial literacy program, Talk Money with Ecstra Foundation, ensures more Australian students have access to effective money lessons and guidance when they need it. Talk Money is the largest free, face-to-face financial education initiative offered in schools nationwide. Since launching in 2022, it has reached 445, 779 student bookings across 11,416 workshops in 1,484 schools.