# school Banking Programs and financial literacy Education in Schools:

# faqs for Parents/carers

### What is a School Banking Program?

A School Banking Program enables students to deposit money into bank accounts through their school, with bank accounts provided by Authorised Deposit-taking Institutions (ADIs) such as banks, credit unions and building societies.

### What has been banned?

From the start of Term 1, 2021, students will:

* no longer be able to deposit savings through a School Banking Program (SBP) at their school;
* are not be able to participate in financial literacy education programs run by Authorised Deposit-taking Institutions.

### Who does the ban apply to?

The ban applies to all Victorian government schools.

### Why is there a ban on school banking and financial literacy education provided by ADIs?

The findings of the Royal Commission into the Banking and Financial Services Industry highlighted the importance of financial literacy education in schools. The economic impact of coronavirus (COVID-19) has further highlighted this need.

Concerns have repeatedly been raised about banks using inappropriate tactics such as attracting children with prizes and incentives to develop trust and loyalty in banks at an inappropriate age.

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

There is very little evidence to suggest SBPs teach students lasting habits to improve financial literacy.

The Australian Securities and Investment Commission (ASIC) review of SBPs recently confirmed such concerns.

### Are there any exemptions from the ban?

No. The ban is effective from the first day of Term 1, 2021.

### My child uses the school banking program regularly. How can they continue their banking?

Parents/carers who wish to keep their child’s school banking accounts should contact the relevant ADI directly.

### How will my child learn about Financial Literacy once the ban takes effect?

Financial literacy is taught as part of the Victorian Curriculum through the learning areas of Economics and Business, and Mathematics.

Schools that have previously relied on ADIs to deliver financial literacy education will be provided with resources to assist them develop and deliver their own high-quality learning experiences for their students.

Parents/carers of primary school-aged students can access ideas and tips on teaching students to handle money from the Department’s [Maths and Numeracy at Home](https://www.education.vic.gov.au/school/teachers/teachingresources/discipline/maths/Pages/maths-and-numeracy-at-home.aspx) web page.

### What if I have additional questions about School Banking programs and/or financial literacy education in schools?

Parent/carer questions about their local School Banking Program should be directed to their school.

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