

FSU SUBMISSION

Productivity Commission:

**Inquiry into the Workplace Relations
Framework.**



FINANCE SECTOR UNION

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THE PRODUCTIVITY COMMISSION: Inquiry into Workplace Relations Framework

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1: FSU About:

The Finance Sector Union (FSU) of Australia welcomes the opportunity to contribute to the Productivity Commission's Inquiry into the Workplace Relations Framework.

The FSU represents and advocates for and on behalf of approx. 400,000 workers across the finance sector – an industry that includes Banking, Superannuation and Insurance, Financial Planning as well as many other key aspects of customer based financial operations in the Australian economic landscape.

As long term advocates, the FSU holds the view that all Australian employers have social obligations to the Australian community in additional to their legal requirements & economic and commercial roles.

The Australian Finance Sector as an industry has been recognised globally for its successes – particularly during the GFC. Much of the industries success has depended upon the dedication & competency of the employees in each Enterprise. It is these 'everyday' workers, who contribute to the 'daily cycle' of the Australian economy, that rely on a solid Workplace Relations Framework to support the integrity of their employment conditions & their future.

2: Terms of Reference:

The terms of reference for this submission are as detailed in the Productivity Commission's online documents:

1. 'Plain English guide to the key issues'¹
2. 'Productivity Commission Issue Papers 1-5'²

3: Submission Statement:

The FSU supports the ACTU's comprehensive submission to the Productivity Commission on the Workplace Relations Framework.

The FSU's submission therefore does not seek to address at length any particular aspect of the Terms of Reference or seek make any recommendations that are not already detailed by the ACTU submission.

¹ <http://www.pc.gov.au/inquiries/current/workplace-relations/issues/workplace-relations-guide-key-issues.pdf>

² <http://www.pc.gov.au/inquiries/current/workplace-relations/issues/workplace-relations-issues-combined.pdf>

The additional content within this submission is based on the thoughts & experiences of FSU members, FSU's involvement with the community as well as FSU's well placed understanding of the industry, industry practices and the application of workplace relations within the broader finance sector.

The FSU will also reference for the Commission the "Australian Banking Principles". These principles, while not directly speaking to individual matters as raised within the Term of Reference, do breathe life into community views and values about the Finance Sector which is worth considering when discussing the workplace relations framework.

4: "Australian Banking Principles"

Like all other stakeholders, the FSU wants our finance sector to be as profitable and successful as it can be, but not at any cost.

To this end the FSU has been discussing with a number of consumer and community sector organisations³ the sort of principles we believe we need to be the hallmarks of the finance sector in Australia.

The FSU would draw your attention to the clauses under principal 5 - *Balancing the operation of the financial system with the needs of the community*.

Principles

Australia's financial system should function in an accessible, affordable and fair manner reflecting its status as an essential service. The financial sector should deliver products and services which better balance the needs of consumers, employees, shareholders, the economy as a whole and the broader public interest.

To achieve an effective, well-functioning financial system in the best interests of the Australian community through:

1. *Promotion of competitive outcomes for consumers*
 - 1.1. Shopping around and switching provider should be easy
 - 1.2. New market entrants should be encouraged
 - 1.3. All market participants should enjoy a level playing field
 - 1.4. Financial institutions should not be allowed to have excessive market power
 - 1.5. Regulators should investigate and respond proactively when problems arise

³ Australian Financial Integrity Network (<http://ausfin.org.au/>)

2. *Effective regulation to support fairer outcomes, especially in essential services such as retail banking and superannuation*
 - 2.1. Financial services should be accessible and affordable for all consumers, regardless of their circumstances or location
 - 2.2. Fees and charges should reflect cost only
 - 2.3. Financial products and services should be provided transparently, responsibly and with a duty of care to all stakeholders
3. *Community access to information about key elements of our financial system*
 - 3.1. Key information about Australia's financial system, including information about the size, nature and structure of financial institutions, levels of prices and fees in the market and wholesale costs, should be transparent and published regularly by our financial regulators
4. *Removal of all conflicts of interest*
 - 4.1. Financial providers should act in the best interests of their customers and clients
 - 4.2. Practices and structures that generate conflicts between the interests of financial providers and their customers should be eliminated
5. *Balancing the operation of the financial system with the needs of the community*
 - 5.1. Policy development and implementation on financial services issues should include the voices of all groups in the community who are affected
 - 5.2. Reflecting social and economic obligations, financial providers should strive to be Australia leaders in standards of corporate governance and behaviour
 - 5.3. The financial services industry should contribute to the development of the nation's skills and knowledge and the growth of sustainable and socially responsible local jobs

5: Our Jobs Our Future

In addition to the 'Australian Banking Principles', the FSU industry based campaign - 'Our Jobs Our Future' - represents a clear vision for what the Finance Sector should be, based on workers input across the industry.

The key points from this campaign (outlined below) are aimed at making the Finance sector as a whole, a better sector for the longer term:

- The development of a long-term financial services industry plan
- Tax incentives and disincentives to encourage companies to keep jobs in Australia

- The Government only procuring goods and services from companies that invest in local jobs and have ethical employment practices
- Customers deciding where their personal data is stored and accessed
- The extension of FOFA principles to all aspects of financial services and in particular, credit

6: Recommendations

The FSU supports the ACTU's submission and recommendations.

For further information, please contact FSU National Infrastructure & Political Relations Manager Mark Gepp

Yours faithfully

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OUR JOBS OUR FUTURE