

# FSU POLICY ON A BANKING ROYAL COMMISSION

## Resolution for NEX Meeting 28 April, 2016

It was resolved:

**43/16**

“That FSU expresses its concern at the damage done to our industries by crises in life insurance, funds management, allegations of illegal behaviour in inter-bank rate setting and unethical behaviour in banking. It is in the interest of our industry, our community and our economy for the finance sector to be held in high regard with public confidence in professional behaviour and ethics. These concerns have underpinned the Union’s Our Jobs, Our Future campaign since its inception.

The union notes the announcement from the ABA on 21 April 2016 about ABA plans to conduct a series of reviews and recommend changes to pay models, whistle blower protection, consumer protection, removing those guilty of poor conduct from the industry and a stronger commitment to regulatory action.

The union is concerned that this announcement is light on detail and heavy on uncertainty. We call on the ABA and member banks to immediately commit to the following in order to make the initiatives effective;

1. Provide an unequivocal commitment to supporting the removal of conflicted pay models from the industry,
2. Ensure that the “impartial third party” charged with overseeing the process is truly independent and has the confidence of the community and the workers employed in the industry,
3. Guarantee that bank employees and their union can make direct representations to, and be heard by, the “impartial third party” before any recommendations are made,
4. Extend the proposed whistle blower protections to include effective guarantees of job and career security for whistle blowers,
5. Defer the ill-thought out proposal for an employer controlled “black list” of bank employees until agreement can be reached with the Union about the details behind its construction, management and use. We have particular concerns about poorly described criteria for getting on or off the list, denial of natural justice, defamation of character, breach of privacy, lack of appeals process, restraint of trade as well as control of and access to the register, and
6. Engaging in genuine consultation with employees and their union during the review of the banking code of practice.

We are concerned that without these commitments from the ABA and a commitment from the member banks to support the implementation of the final recommendations the ABA initiative will be seen as a knee jerk reaction to avoid the establishment of a Royal Commission into Banking.

Further, FSU notes the announcement from Opposition Leader Bill Shorten of Labor’s plan to establish a Royal Commission into Banking if Labor wins the 2016

Federal Election. The Union acknowledges that sustainable improvement in the ethical standing and cultural practices in our industries will require legislative change and a serious commitment to improved staffing and resources, skills development and training for bank employees. We also acknowledge that a Royal Commission with properly constructed terms of reference that focus on the decision makers in the industry and particularly the design and impact of remuneration models applying in the industry offers an opportunity to bring forward the changes that will benefit our community and our members. On this basis the FSU supports the calls for a Royal Commission into Banking and will take necessary steps to ensure that the terms of reference focus on the systemic problems caused by failed leadership of our industry and those terms of reference do not allow it to become a witch hunt that focuses on individual workers.”

**CARRIED**