

## **Written Submission to the Royal Commission into Misconduct in the Banking, Superannuation and Insurance Industry**

### **Submission on response to Interim Report**

1. This submission addresses issues arising from the Royal Commission's Interim Report and the absence of reference to the role that the Finance Sector Union of Australia plays, or should play in the Banking, Superannuation and Insurance Industry 28 September 2018.
2. I lodge this submission as an individual consumer of the Banking, Superannuation and Insurance Industry.
3. This submissions deal with the following specific matters:
  - a. The role of the FSU in representing employees;
  - b. The perceived failure of the FSU in creating an industry where its members can challenge their employers in issues of misconduct; and
  - c. The future role of the FSU in the Finance Industry.

#### **The role of the FSU in representing employees**

4. In my view, the main role of the FSU is to promote and protect the rights of its members and Finance Industry workers in general.
5. The role of the FSU should be, but is not limited to;
  - a. representing workers in negotiations with employers
  - b. educating members about their rights and obligations under law
  - c. lobby employers, government and other bodies with matters of concern to its members.
6. By providing adequate representation and education of its members, the FSU should be a major force in the Finance Industry.
7. The FSU has a role to play in ensuring its members are aware of their rights and obligations under law.
8. With adequate action by the FSU employees should have;
  - a. a reference for proper moral behavior in the industry
  - b. confidence in their rights and obligations; and
  - c. confidence and support to raise questionable conduct.

#### **The perceived failure of the FSU in creating an industry where its members can challenge their employers in issues of misconduct**

9. The Commissioner details in the Interim Report the causes of misconduct.
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10. Misconduct caused by culture, governance and remuneration has been attributed in the most part to the drive for monetary gain.
11. Changes in remuneration or organisational culture should be, and in many instances has been completed in consultation with the FSU.
12. The report states that an employee will treat as most important, what the employee believed the employer generally, or the employee's supervisors and peers treat as important.
13. The report does not include the role the employees representative, the FSU, does, or should play in these factors.
14. In some cases the FSU is consulted, or has taken the approach to actively change remuneration structures and employee incentives.
15. If there has been failings by employees or employers, should the Commission not include the importance the employee representative and their compliance in these happenings.
16. The connections between remuneration, governance, risk management and misconduct may have been recognised for many years, however, the Commission has not included the role the FSU as employee representative has or should play in supporting employees address these connections.

#### **The future role of the FSU in the Finance Industry**

17. The report does not currently include the role of the FSU in the environment that allowed the misconduct to take place.
18. The FSU, as an employee body should be considered with as much relevance as the Sedgwick recommendations.
19. The report questions how can staff, especially front line staff, be encouraged to 'do the right thing', yet does not question the organisation whose purpose it is to represent and educate these employees as to their rights and responsibilities.
20. If there was a cultural failure, should the role of the employee representative and their effectiveness not be questioned.
21. The report makes reference to the question of regulatory intervention and the role of the Sedgwick report for remuneration frameworks, but no reference to the role employees play through their representative.

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Date: 26 October 2018

