



FSU Submission:

**Inquiry into the Major Bank Levy Bill 2017
and the Treasury Laws Amendment (Major
Bank Levy) Bill 2017**



FINANCE SECTOR UNION

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Inquiry into the Major Bank Levy Bill 2017 and the Treasury Laws Amendment (Major Bank Levy) Bill 2017:

CONTENTS:

- 1: Introduction**
- 2: Commentary**
- 3: Recommendations**

Introduction:

1. The Finance Sector Union (FSU) of Australia welcomes the opportunity to participate and provide a submission to the 'Inquiry into the Major Bank Levy Bill 2017 and the Treasury Laws Amendment (Major Bank Levy) Bill 2017'.
2. The FSU represents and advocates for more than 400,000 workers in the finance sector - including those who are required to provide general and personal advice.
3. The FSU represents finance workers across the ADI's in scope of this inquiry as well as finance employees employed in smaller banks and non-bank competitors.
4. The FSU's submission is based on the thoughts & experiences of FSU members as well as our well placed understanding of the finance industry and industry practices

Commentary:

1. The FSU supports a fairer and more progressive tax system, however focusing on a single industry to address a short term fiscal deficit does not strengthen the government's ability to provide the high-quality public services and social security that Australians want, need and deserve.
2. The finance industry has, by its own admission, lost the trust of the community through their actions and that a levy on the banks may be seen to be a punitive measure by Government that is welcomed by the community. The FSU is of the opinion that this is an "all fizz no pop" policy that won't deliver genuine improvements to the culture and behaviour of banks towards the community at large.
3. It has been widely reported that this levy is likely to be passed down to shareholders or customers through either smaller dividends or increased interest rates and fees, however it is of particular concern of the FSU and its members that employees will bare a significant brunt of any cost savings driven by the introduction of this levy.
4. One of the less acknowledged contributions of the Australian finance industry is its significant contribution to the employment of Australians. The ADI's subject to this levy employ in excess of 125,000 employees.
5. In an industry that is rapidly changing, with the jobs of today unlikely to be the jobs of tomorrow, it is our concern that this levy will provide an excuse for job cuts that are even greater than those already forecast. This will detrimentally impact the fair contribution the government seeks from the Bill
6. The FSU acknowledges that a more level playing field for smaller banks and non-bank competitors is required. The FSU was vocally critical of the mergers of St George Bank and Westpac Banking Corporation as well as Bankwest and the Commonwealth Bank for these reasons.

Recommendations;

1. That the proposed levy be reconsidered in favour of a more equitable distribution of tax collection from Australia's largest companies across the economy.
2. That the government should engage in real solutions that deliver cultural and behavioral reform of the finance sector that focuses on improving consumer outcomes and delivering a professional highly skilled Australian workforce.
3. That a proportion of any money collected from a levy on the finance industry be dedicated to the provision of development and training of the skills required for the finance jobs of the future.
4. That the Government engages stakeholders in genuine structural reform that levels the playing field for smaller banks and non-bank competitors instead of the narrow proposal at hand.

For further information, please contact FSU National Secretary Julia Angrisano on

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Yours faithfully

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Julia Angrisano
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