



**Commonwealth
Bank**

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Committee Secretariat
House of Representatives Standing Committee on Indigenous Affairs
PO Box 6021
Canberra ACT 2600

By email: IndigenousAffairs.Reps@aph.gov.au

25 November 2021

Dear Committee Secretary

Re: Inquiry into how the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers.

Commonwealth Bank welcomes the opportunity to contribute to this Inquiry. Australia is privileged to be home to the world's oldest continuing cultures and we are committed to ensuring that we engage appropriately with First Australians.

It is timely to consider these important matters. The recent commitment of all Australian governments to work with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations to develop a genuine partnership to address intergenerational disadvantage sends an important signal. Respectful and meaningful engagement with First Australians must be front-and-centre for all organisations and at Commonwealth Bank we continue to challenge ourselves to improve our engagement practices.

We recognise we do not have all the answers and we are committed to listening respectfully to stakeholder groups, including those who have presented in front of this Committee. To support the Committee's inquiry, we have summarised below the guiding principles that Commonwealth Bank models its engagement with First Australian communities on.

Principle 1: Cultural capability is essential to building the right foundations for strong and trusted relationships.

Cultural capability is fundamental to respectful and meaningful engagement. Commonwealth Bank's Indigenous Cultural Development Program focused on ensuring our workplaces are culturally appropriate places for First Australian colleagues and customers. This program includes a number of development opportunities across cultural awareness, cultural capability and leadership development, with key programs detailed below:

- Our Aboriginal and Torres Strait Islander cultural online learning program focuses on increasing our workforce's understanding of First Australian cultures and our shared history. In January 2022, we are launching an accompanying online learning program to support our people to treat First Australian customers with sensitivity, respect and compassion (in line with the Banking Code of Practice). The program raises awareness of how unconscious biases, assumptions, stereotypes and prejudices influence our actions and interactions. The program is based on storytelling, sharing actual accounts of customer interactions, and will be mandatory for many teams.
- We have partnered with The BlackCard since 2015 to develop our employees' understanding of First Australian cultures in order to build individual engagement and relationships between non-Indigenous employees and First Australian communities.

- To maintain the momentum post-BlackCard training, we have launched Reconciliation Employee Networks to provide an avenue for our people to engage in, and become advocates for, reconciliation. Our reconciliation networks support our employees to learn more about their local cultures and build strong local relationships.
- We have partnered with the Jawun secondment program since November 2011 and currently place secondees in the Inner Sydney (NSW), Central Coast (NSW), North East Arnhem Land (NT) and Central Australia (NT) regions. A new region, Pilbara (WA), will be added to our program in 2022. We have also participated in the Jawun Corporate Secondment program, with First Australian leaders from Jawun regions completing 12-month secondments in our head office in Sydney.
- We have a longstanding partnership with Lirrwi Aboriginal Tourism in North East Arnhem Land where our people attend cultural immersion programs at Bawaka and Nyinyikay. The programs provide an opportunity for our people to develop a better understanding of the access challenges experienced by our customers in remote Australia while also learning about one of the oldest cultures in the world (Yolngu).
- We are also committed to ensuring First Australian cultures are a proud part of our national identity. We have worked closely with Kuku Yalanji and Woopaburra artist Leona McGrath, First Australians organisation Yerrabingin, our First Australian and non-Indigenous employees, and members of the community, to create a special artwork which visually expresses Commonwealth Bank's refreshed brand and values. The artwork is intended to be weaved through the fabric of the Bank including branches, digital assets and on uniforms.

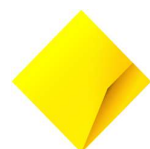
Principle 2: Apply a First Australians-led and rights-based approach to reconciliation and engagement.

With growing awareness across the Bank of the impact our business operations can have on First Australian communities, our Board has endorsed taking a rights-based approach to our Reconciliation Action Plan (RAP). To achieve this, we aligned our RAP to the United Nations Declaration on the Rights of Indigenous Peoples. Key to this approach is:

- The ongoing governance provided by our Indigenous Advisory Council (IAC), in place since 2015. The IAC supports senior leaders across the Bank with advice and guidance to ensure our reconciliation initiatives positively contribute to the community and our approaches are culturally informed and respectful of First Australian's rights. In line with a First Australians-led approach, we appointed Mr Sean Gordon as Chair of the IAC in 2018. As part of this role, he also sits on our CEO Advisory Council to ensure First Australian views and issues are central to that group's discussions. Along with Mr Gordon, our IAC external members are Dr Bronwyn Bancroft, Mayrah Sonter and Mick Gooda. Senior leaders Sian Lewis, Group Executive Human Resources and Scott Warton, Group Executive Program Delivery are also members of the IAC and sponsor the reconciliation program across the Bank.
- We continue to challenge ourselves in this regard, with our current priorities including:
 - Identifying additional policy inclusions that are needed to promote and respect First Australian rights across our business and setting expectations of our stakeholders;
 - Identifying additional inclusions that need to be incorporated into our lending assessment tools in order to ensure we are avoiding causing or contributing to adverse impacts on First Australian customers and communities;
 - Strengthening our grievance mechanism processes, which will ensure we have a culturally appropriate channel for First Australian customers to provide feedback on our business practices and operations; and
 - Finalising an Indigenous Engagement Strategy that will outline our approach to engaging with First Australians, including guidelines for seeking appropriate input, advice and free, prior and informed consent from First Australians who are likely to be impacted by business decisions. This will include when decisions or issues need to be presented to the IAC for guidance.

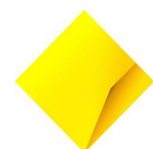
Principle 3: Actively seek feedback to ensure our financial products and services are accessible, inclusive and safe.

We are committed to ensuring our banking services are accessible to all First Australian customers; that we have products and services that are culturally informed and support financial wellbeing; and we communicate in ways that are respectful and appropriate for First Australian customers wherever they live. We recognise the



importance of engaging with First Australian customers, community organisations and service providers to achieve this and have made a number of changes in response to feedback:

- In early 2021, the Group Customer Advocate undertook a deep dive into the experiences of First Australian customers. The results and opportunities for improvement were provided to the Board, which endorsed a multi-year First Australian Customer Support Program. The program brings together work in progress, planned initiatives and proposed activities from across the Group to improve the financial wellbeing, inclusion and access of First Australian customers and communities. Steps have been taken to address a number of the initial opportunities and concerns, and a broader plan is in place to respond to the remaining areas, such as access to banking products and services, identification and financial education.
- In recognition that there are ongoing issues that negatively impact First Australian customers, particularly those experiencing vulnerability and/or isolation, our Customer and Community Advocacy team has established an Aboriginal and Torres Strait Islander Community of Practice that meets quarterly. This group consists of a number of experts from peak body organisations, community Elders, financial counsellors and those with lived experience. The purpose of the Community of Practice is to support the First Australian Customer Support Program by providing insights into the needs and expectations of community and to enable us to develop and deliver products and services attuned to community expectations.
- In response to feedback from organisations and service providers, we have made a number of changes to improve banking accessibility for our remote based First Australian customers. An overview is provided in Attachment 1 and key changes include:
 - In FY21, our Indigenous Customer Assistance Line (ICAL) received 181,460 calls from customers in remote areas, with common themes being identification requirements, balance and transaction enquiries, funds transfers and updating personal details. In response to community feedback on accessibility, this financial year the ICAL team size has increased by 50 per cent and we have extended its opening hours to include Saturdays. As part of the induction process for ICAL, new team members complete cultural capability training so they can deliver a respectful service experience. The ICAL team is currently onboarding an Aboriginal and Torres Strait Islander language interpreter service, with a targeted launch date of December 2021.
 - For customers who hold a Commonwealth Seniors Health Card, Pensioner Concession Card and Health Care Card, we offer the Streamline Basic Account (CommBank) and the FeeSaver Basic Account (Bankwest), which include no monthly account fees, no assisted withdrawal fees, unlimited free electronic withdrawals and no overdrawing approval fees or dishonour fees. These accounts do not earn interest and other charges may apply. To ensure eligible First Australian customers are aware of these accounts, our employees proactively ask eligible customers whether they would like to switch to a Streamline Basic account.
 - Prior to COVID-19, we undertook visits to remote communities as part of our Remote Community Outreach Program. The program is an important opportunity for us to build strong and trusted relationships with customers while conducting account maintenance, ensuring customers are on the right account and assisting any general banking enquiries. While in the community, we also connected with community organisations to understand banking issues impacting the community. Remote community outreach is on hold until 2022 and we will re-assess this in consultation with community leaders and service providers.
 - We partner with Australia Post to offer Bank@Post services, including payments, deposits and withdrawals, at participating Post Offices. The Bank@Post partnership has resulted in 1,600 communities across the country that were without a bank of any brand, having access to face-to-face banking services, of which 1,145 are in regional and remote areas.
 - We work closely with the Australian Banking Association (ABA) and the banking industry to improve how we collectively support First Australian customers, particularly those who live in remote areas. One initiative that has come from this engagement is the Fee-Free ATM initiative, which provides customers in some of Australia's most remote communities with access to select Fee-Free ATM withdrawals and balance enquiries. The full list of participating ATMs is available via the ABA website.



Principle 4: Match respectful engagement with meaningful opportunities.

We recognise that increasing the number of Aboriginal and Torres Strait Islander Australians in our workforce and supply chain will further improve the way in which we engage with First Australians. We are committed to achieving parity in our workforce and supply chain through a number of initiatives:

- The jobs of the future will be drastically different from those that we know today and we are acutely aware of the role education, training and employment pathways play in ensuring we are attracting top Indigenous talent into our organisation. We are committed to increasing First Australian students' access to quality education, such as that offered through the Australian Indigenous Education Foundation (AIEF) and Australian Indigenous Mentoring Experience (AIME), as well as providing school-based and full-time traineeships and CareerTrackers internships to ensure First Australians are equipped with the skills and knowledge to have thriving careers.
- In 2016, we set a target to achieve employment parity – three per cent of our domestic workforce to be of First Australian ancestry – by December 2026. To support achieving this target, we recently launched our Indigenous guaranteed interview scheme, ensuring that if candidates meets the minimum criteria for a role then they will automatically progress to interview stage for that role.
- With First Australians underrepresented in the technology sector, accounting for less than one per cent of those enrolled to study Information Technology (IT), this area is a key pipeline for talent. More than 35 First Australians have commenced with our technology Academy in both cadetship and trainee positions, with many continuing to build their careers in IT at the Bank in areas as diverse as robotics, automation and cyber security.
- Building on our Indigenous employment target, we are committed to achieving parity in procurement: 3 per cent of our contestable spend to go to First Australian suppliers by 2024. In FY21, our spend with First Australian-owned businesses was \$6.1m, an increase of 39 per cent on the previous year.

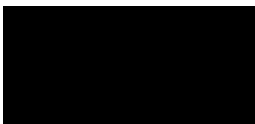
Importance of the RAP program to progressing reconciliation

Commonwealth Bank has had a RAP in place since 2008 and it remains an important mechanism for maintaining internal momentum and supporting our strategy to progress reconciliation. We recognise that the RAP in and of itself is not a panacea to engagement issues organisations may experience, however the framework has supported us to build more respectful and meaningful relationships. The public scrutiny built into the program ensures commitments are implemented in a timely and appropriate manner. We are able to learn from other organisations when they exemplify best practice and aspire to meet their level when we do not meet public expectations. We also share our own successes when we feel they make a solid contribution towards best practice.

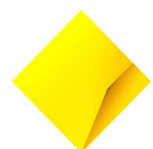
We value the support we receive from RA, the RAP community and our IAC and First Australian Community of Practice, and we thank them for their guidance as we continue to seek to foster stronger relationships with First Australian colleagues, customers and communities.

Should you have any questions or require more information regarding the information provided, do not hesitate to contact me.

Regards



Euan Robertson
General Manager, Government, Industry and Social Policy



Attachment 1: Changes to ICAL since June 2021 to improve banking accessibility for remote based Aboriginal and Torres Strait Islander customers.

Process uplift

- Removed the fax process which ICAL was using to ID customers. There are some discrete instances where it is still warranted (i.e. on-boarding new customers in line with regulatory requirements).
- Completed a process change to accept Centrelink statement within 12 months of issue date.
- Finalise a process to enable ICAL to verify non-remote Aboriginal and Torres Strait Islander customers presenting in branch without ID.
- Enabled Larrakia proof of ID card as a form of identification and verification for on-boarding Aboriginal and Torres Strait Islander customers in branch and ICAL.
- Finalised process to allow financial counsellors to identify and verify on behalf of First Australian customers who are known and present with them.
- Launched a tool which highlights to the ICAL agents when there is an opportunity to switch a customer to the Streamline Basic Account.
- Approved a process to enable NetBank registration for ICAL customers without access to a mobile.
- Sent communication on ICAL updates to financial counsellors and financial capability workers via the CBA newsletter.

Recruitment & Accessibility

- A second Team Leader has been on-boarded to help ICAL realise its growth strategy and ensure employees are providing culturally appropriate banking support.
- Eight new employees have been on-boarded, increasing the team size to 22 Customer Care Specialists.
- Extended ICAL opening hours to include a new Saturday shift 10am-2pm AEST.
- On-boarded an exclusive Senior Manager role for ICAL team.
- Announced ICAL will move from our Direct Banking team across to our Extra Care team, joining our Financial Assist Services (FAS) team to create a centre of excellence for customers experiencing hardship and vulnerability.

Phase II (high-level example of projects in the pipeline)

- We will on-board an interpreter service to assist us, where it is helpful to do so, to speak in-language with Aboriginal and Torres Strait Islander customers.
- We will review FAS processes and initiate an ICAL uplift so the customer experience is aligned across both teams.

