

10 December 2009

The Hon Tony Abbott MP  
Leader of the Opposition  
PO Box 450  
Manly NSW 2095

Email: [Tony.Abbott.MP@aph.gov.au](mailto:Tony.Abbott.MP@aph.gov.au)

Dear Mr Abbott,

We read with interest your comments about stronger regulations for Australia's banks. These are welcome, and share much in common with finance sector workers long-standing suggestions. Like you, we wondered why there were no conditions attached to generous taxpayer support for our highly profitable banks. The Finance Sector Union repeatedly asked that, in return for underwriting banks' risks and guaranteeing deposits, the Government should mandate protection for Australian finance jobs.

Indeed, during the global financial crisis, Australians saw an erosion of competition and banks increasingly usurping the Reserve Bank's role in setting monetary policy. Westpac's recent mortgage increase is but one example. You will no doubt recall that when rates were on the way down, all major banks refused to pass along the full decrease to consumers.

At the same time, Australian finance jobs continue to be sent abroad despite overwhelming opposition from consumers. You may be aware of a Senator Xenophon's suggestion, currently before the Senate, that would require consumers' written consent before their data is sent off-shore to be processed. Liberal support for this initiative would be welcome.

We've also seen banks increase sales targets for debt products relentlessly, despite Westpac CEO Gail Kelly talking openly about the problems of more debt. This was directly linked to thousands of Australian families losing their life savings in the collapse of Storm Financial. Disappointingly, the Government has balked at the regulation needed to solve the problem.

And then there is executive remuneration, which continues to rise almost unabated. Recent recommendations released by APRA to rein in these often-obscene salaries were watered down. With the global financial crisis easing, we have little doubt that executive salaries are set to soar again, even as frontline workers are offered paltry pay increases.

The Finance Sector Union would welcome the opportunity to meet with you to discuss some of the practical suggestions we have made to better regulate Australia's banks. And to underline the Government's role in ensuring our major banks act in our community's interest with good competition, fair interest rates, job protection and responsible lending to the engines of our economy.

Banks are not like banana smoothie stores. They are a vital part of Australians' everyday life and a major source of employment. Like you, we believe that Governments need to act forcibly on these issues.

Sincerely,

**Rod Masson, Acting National Secretary**  
Finance Sector Union