



FINANCE SECTOR UNION

# ACCOUNT



Protecting **your rights** at work

## ANZ

Firstly, thank you again for all your assistance. It was an amazing result to have my employment issues with ANZ resolved so quickly once the FSU was called in. I'd strongly encourage any finance sector employee to join the FSU, particularly in the current economic environment - without union intervention I am convinced I would not have had such a positive outcome. I'd suggest potential members view union membership like insurance for your job. You don't realise how valuable it is until you need it, and from that point you'd never be without it.

Sincerely,  
Sun Etheridge, Victoria

## Thank you MRC

I want to ensure not only are FSU made aware of my appreciation for your help, but more specifically the Member Rights Centre's time and advice. As a direct result of this I felt confident enough to lodge my concerns and as a result the bullying has ceased, and my colleagues and I are much happier.

FSU Credit Union member, Qld

## Bankwest

As a Bankwest staff member of 21 years I am completely blown away by what I read in the paper on Saturday. Over all these years Bankwest has been absolutely shocking at handling any change / announcements so it came as no surprise to have found out via the media.

As I am in Commercial Banking I think my job is safe(ish) given we have just had a major restructure however I have some issues in relation to this whole mess and would like to let my Union know of my feelings after all that has occurred today. And I have no doubt you are already aware of these or have raised these points to the Bankwest senior management team.

1. Comm Bank knew what our cost : income ratio was prior to purchasing us. And they knew the reasons behind this being the massive spend on the east coast expansion.

## Off-shoring

As an employee of ANZ, I fully support your push to preserve Australian jobs. ANZ's continuing off-shoring policy (sugar-coated as 'transformation') during this economic recession is disgusting and unethical. This policy is destroying careers, relationships, families and, on a broader scale, could help unravel the Australian economy. Morale at where I work is extremely low. Whole pods of desks, once full and buzzing with activity when I joined the bank two years ago, now sit empty. Whole sections of the building's floors feel eerily vacant. To add to this, unrealistic productivity targets are set by management, on top of the ever present probability that you will be off-shored ('displaced'). Some of my team mates have been told this week they are to be off-shored. Replaced by cheaper employees in Bangalore. How kind of the Australian and New Zealand Bank to support the Indian economy in this way. These people are quietly terrified they won't find another job in this economic climate. Personally I am not affected at this stage. This is the second time I have dodged the axe, but I know it will swing my way soon. The bank consoles itself in the belief they are doing it ethically. Hell we're such a great bank to be fired by. We'll provide counselling and everything you could need to soften the blow.

Except your job. Please make a much bigger noise about this. ANZ has to be accountable and responsible.

Regards and hope  
FSU ANZ member, Victoria

## Westpac WA

I am one of the people affected by the Westpac Local changes and have concerns similar to many in regards to my position as a BFM and whether or not I will be successful in obtaining an LBB role. Here in WA we believe that the BFM role is actually very similar; what we do on a day to day basis is very much like the new LBB role requirements. However there seems to have been no indication or acknowledgement of that fact. Perhaps it is because of the generic nature of the change, but in discussion with the BFM from NSW (who are no LBB as, we found this to be the case).

Of additional concern to me is the fact that I joined the organisation in Nov. 08, so am yet to pass the probationary 6 month period. Also, I was given the understanding that the roles would transition, which is no longer the case.

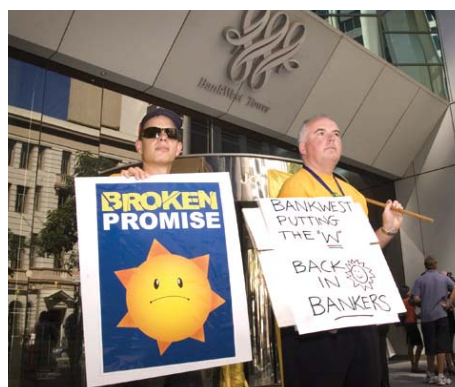
Anyway, I would like to thank and encourage you to continue with the discussions, especially regarding the appointment of LBBs.

Regards  
Westpac member, WA

2. When they purchased us they said one of the main reasons for buying us was that we were a good buy (i.e. they bought us at a bargain price) so if we were such a good buy surely they could balance that out against the need to reduce staff.
3. They also said the other reason for buying us was the quality of the staff.....Go figure.

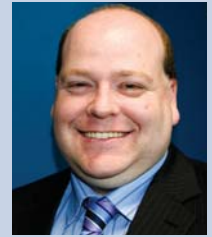
4. But you know the thing that has really got under my skin... Colin Barnett and I quote from our local news "Painful as any job loses are, I think this will stabilise Bankwest "What planet is this goose on..? We are stable, We are profitable and we are a dynamic business with fantastically committed staff. The Comm Bank made promises to Barnett around not needing to cut staff and the moment they announce these cuts he just rolls over and says that these cuts will be a good thing. Amazing.

Get stuck into them.  
Bankwest member, WA



# FSU National Conference

The FSU National Conference was held in the last week of March 2009, attended by 40 members from across the country and industry, with a broad range of ages, occupations and backgrounds being represented.



Leon Carter,  
FSU National Secretary



The Conference received and discussed reports on a range of issues including:

- What has happened over the past three years
- The state of the union
- Member research that benchmarked the results against the research undertaken in the lead up to the last Conference
- Public research on issues such as the GFC, unions and the federal government
- The Forward with Fairness Bill
- The industrial challenges confronting our industry and what our response to those challenges should be including the role of National Conference Delegates and Representatives
- The union's budgetary position

One of the other major issues that Conference dealt with was the union's budgetary position. Conference acknowledged and commended the extraordinary effort of all FSU staff and recognised that our recent results have been very positive, however the delegates understood that the union cannot just continue to run budget deficits – in other words we must stop the decline and grow.

FSU is visiting more workplaces than ever, speaking to more members and potential members – we know that the issues we are taking a stand on are the ones that members want us to. We need to stay the course and be confident that despite the difficulties more and more workers will join the FSU and become active. Whilst the environment in which we work is difficult it also presents us with an opportunity to promote the values of unionism.



At the conclusion of the discussions about our response to the industrial challenges facing our industry and what our response should be Conference passed a resolution about campaigning for a better finance industry, identifying our industry to be comprehensive, strong, sustainable and responsible. FSU will use the resolution to further our efforts with the Federal Government and employers to pursue this agenda on behalf of members.

If you're reading this magazine, you can help by spreading the word in your workplace. Take your copy of *Account* into work and leave it in a lunch room, break-out area or pin it up on the noticeboard so others in your workplace can learn about the union and the benefits and good outcomes FSU achieves for members.



## Member Rights Centre – Snapshot over the first quarter of 2009

If you need help with one of these, or any other workplace issue, call 1300 366 378 to get advice and assistance on your rights at work.

- Total number of calls received - **15,393**
- Calls about member disputes/cases being handled by FSU - **5,170**
- Calls to access Member Services - **1,310**

### Top 10 industrial issues FSU members have called about:

- RRR/Restructuring - **993**
- Performance/Performance counselling - **710**
- Bullying/Harassment - **447**
- Sick/Carers Leave - **433**
- Hours of work - **310**
- Compliance/Investigation - **228**
- Resigning from job - **277**
- Code of conduct - **309**
- Workers Compensation - **310**
- Salary/Packaging (TEC) - **188**

# Member **WINS** in brief

When the FSU represents a member in a dispute, and the matter is escalated to our National Enforcement Unit and possibly an outside body such as the Australian Industrial Relations Commission, there is often a deed of release at the conclusion of the dispute that precludes us from identifying the member or their employer.

Here's a selection of some successful cases concluded recently:

1. Member with major bank contacted the union regarding non-payment of sales commission due upon resignation. Following FSU submissions to an independent arbiter, the employer finally agreed to payment of full disputed amount, equivalent to six months pay.
2. FSU assisted a member from a major bank in a dispute over the circumstances of returning to work following a serious medical condition. Due to FSU intervention, the member has been able to commence annual and long service leave for over 12 months prior to normal retirement.
3. A member employed in banking was dismissed due to alleged 'excessive sick leave' and related issues. With FSU assistance, employer subsequently agreed to additional separation payment of 9 weeks pay.
4. A member requested that FSU check all records for 12 month period, as they believed an underpayment of sick leave had occurred. The union's examination of employment records revealed both underpayments and overpayments had occurred, to member's advantage. Due to the nature of errors and timeframe involved, the employer agreed not to require a refund from member.
5. In a dispute over the extent of regular sick leave, a member had paid sick leave suspended. With FSU assistance, the employer subsequently agreed to reinstate paid sick leave, followed by payment of a further 14 weeks pay on resignation by member.
6. When a member experienced delays in receiving her termination pay when employment with a major bank ended, the FSU were able to negotiate an additional payment of \$4,000 to compensate the member for the delay.



## Union membership pays off in the end

Lynn Baker joined the FSU when she started work at St George, 14 years ago. Over the years Lynn had never needed the union's help directly because there'd been no issues at work; however she kept up her union membership as a form of insurance.

During her first year at St George, Lynn was employed on a casual basis, working regular hours. She was then offered a permanent role, as a Lending Officer.

Toward the end of 2008, post the merger with Westpac, St George made Lynn's role redundant. The bank suggested that FSU members like Lynn request that the union check the redundancy payment on offer, before accepting it as full and final payment.

Lynn contacted the FSU office in Sydney, where her case was assigned to an industrial officer.

*"The union industrial officer told me that my service as a casual should be counted when calculating my severance pay, because I worked regular hours and there was no break between working as a casual and moving in to a permanent role," Lynn told Account.*

FSU contacted St George on Lynn's behalf, and the union's advocacy resulted in a swift re-assessment of Lynn's entitlements.

*"With the help of the union I received an extra \$3,000 that I was entitled to, but wouldn't have received if I didn't have the union to turn to. It comes in handy, especially when you are looking for another job."*

Happily, Lynn was able to find another job, and continues to work in the finance sector.

*"I'm really appreciative of the FSU chasing it up for me. I'm a finance worker, not an industrial relations specialist. I didn't know what my entitlements were: I bet most workers wouldn't. That's why you need a union to turn to. I wouldn't be out of the union!" said Lynn.*

If you'd like to know what your rights at work are, or you need help with an issue at work, call the FSU Member Rights Centre on 1300 36 378.

## Rights at work under threat in Award modernisation process

The defeat of the Howard Government and Workchoices at the last federal election has opened the way for a new industrial relations system in Australia. The ALP Government have begun legislating those changes, but one area causing concern is the development of new Modern Awards for industry.

The Modern Award process seeks to simplify the Award process by consolidating the number of Awards that apply and making Awards simple and easier to apply in the workplace.

In finance, the Australian Industrial Relations Commission decided to consolidate our banking, insurance and credit union Awards, into one Banking and Finance Industry Award.

Disappointingly, the Commission determined to draw upon the Credit Union Award as the basis for making the Industry Award. The Credit Union Award is the most inferior of our Awards and covers only 2% of the finance workforce.

The new Modern Award will see the loss of many conditions won over the years by bank and insurance workers, with the goal of simplicity seemingly interpreted to mean putting in place the lowest set of common conditions.

The new Award significantly increases the normal span of hours, reduces penalty rates and loadings, removes allowances, removes minimum hours for part-time and casual employees and places an exemption from other Award provisions for anyone earning over \$44,252.

The new Award is set to come into effect from the 1st of January 2010. While the Government has committed that no employee can be disadvantaged by the new Award, that will not entitle new employees to former Award conditions and questions still exist about how the new Award will apply to employees on transfer or promotion.

While the majority of FSU members will remain covered by their Enterprise Awards, a large number of members in Credit Unions and Insurance may be directly affected by the operation of the new Award.

The new Award will also for the safety net for bargaining new agreements, meaning that finance workers will have to bargain back conditions that they have enjoyed for many years.

Modern conditions that reflect modern working standards are important, but all too often our industrial relations system fails workers by removing their rights and protections in the name of modernisation.

It is important that the ALP Government get the balance right in its overhaul of our industrial relations system. The Howard Government failed this test and paid the price at the ballot box.

The Rudd Government and Julia Gillard, as the relevant Minister, need to take a hands on approach to the Award Modernisation process to make sure they don't make the same mistake.

## Staffing audits at the Big Four

*'Less people doing more work seems to be the business model adopted by two of our major banks.'*

In our last edition of *Account* we reported on the results of the National Australia Bank staffing audit. FSU organisers visited over 300 NAB branches and spoke to more than 1,000 NAB workers to determine whether branches were fully staffed, if relief was being provided, and how workloads and targets were being affected.

The results indicated that staffing levels were down, relief was not always provided, workloads and targets were up, and more than half of the people we spoke to reported it was difficult to get payment for overtime. It's almost unfathomable that our nation's most profitable companies can't cover basic entitlements! The union is in discussions with NAB to address this situation. However, as we are discovering, NAB are not alone in this regard.

In the first quarter of 2009, the union completed a similar audit of 493 ANZ branches.

Of those, 228 branches reported understaffing on the day of the audit, with staffing down by a total of 343 bodies.

Just over half of the branches had requested relief staff to cover absences.

Even though staffing numbers were down, almost 80% of branches reported that individual sales targets and workloads had increased in the last six months. Less people doing more work seems to be the business model adopted by two of our major banks.

3,714 hours of overtime were worked during the week of the audit. But 46% of the branches audited reported there was no point claiming payment for overtime because either the branch did not have room in the budget to pay for overtime, or the staff had been directed not to claim overtime. **This, from the bank that pay their CEO \$8 million per year, plus a nice little sign-on bonus of \$5 million in the first year. Yet they can't find the funds to pay their workforce for the hours they actually work in order to get all of the work done.**

The results of the audit have been provided to the bank, and the union is looking forward to working with the bank to improve the situation for workers in the retail network. In the meantime, if you work for ANZ, or any other bank for that matter, and you need to work overtime to complete your work, make sure you claim payment. They can afford it – and you're entitled to it!

FSU is currently conducting national audits of CBA, Westpac and St George, and will be able to report results to members next quarter.

## Invest in Australia - Bankwest

FSU's Invest in Australia policy is being put to the test as Bankwest reps seek improved redundancy payments for staff facing the axe.

Invest in Australia, the union's plan to secure Australian finance jobs, aims to deliver better outcomes for workers in these tumultuous times, by ensuring:

- an end to off-shoring Australian finance jobs
- a Skills Fund to cover the cost of re-training and education so finance workers can stay in the industry
- thorough examination of all redeployment possibilities with redundancy or retrenchment as a last resort
- increased redundancy payments for workers who aren't redeployed or retrained

The union launched member consultation on the plan during Australia Day activities this year, and the plan was endorsed by the FSU National Executive at the union's recent National Conference.

Bankwest is the latest Australian bank to make wholesale job cuts. In the last six months, almost 10,000 jobs have been cut from the finance sector, and another 5,000 jobs have been off-shored in recent years.

Commonwealth Bank of Australia acquired Bankwest in October 2008, and at the time, both banks promised no jobs would be lost in Western Australia as a result of the merger. Just six months later Bankwest announced that 400 jobs would be slashed, 250 in Western Australia and 150 in eastern states.

The Bankwest union reps acted swiftly to develop a list of demands that would soften the blow of these job losses, including increased redundancy pay in line with FSU Invest in Australia plan.

The demands won ringing endorsement from members in Western Australia, culminating in a rally in the Perth CBD. The campaign to secure a better outcome for Bankwest workers continues.



For more information about Invest in Australia, visit the FSU website.

Bankwest members can keep up with campaign developments via the website as well.



Just general feedback that I support the union's 9 Questions for Colin Barnett 100%. Like most of the Bankwest workers, I am stunned that the Premier knew about this and has kept silent about it. What's even worse is that he supports the plan to cut jobs. Has he done anything within his power to prevent this? CBA, such a large profitable organisation does not need to cut 400 staff members to stabilise the business, however most of the 400 staff members do need the job to live, to support their families. Does he ever show any sympathy to these staff members, their families, their children? Note most of these are all his people in WA. Some people probably don't mind to cut the hours or will accept no pay rise in order to survive this tough economy. Has this been discussed?

If the government continue to support such corporate greed, I am sure there are more job losses to come, more people will live on the dole, one day the nation will run out of reserve, then ..... maybe this is what our Premier's so called "stabilisation" is about!

Regards  
Bankwest member, WA

I am actually shocked & angry that I heard this from the media before we were told. That is extremely shoddy on Bankwest's part and something needs to be said.

Bankwest member, WA

## Senate Inquiry into aspects of bank mergers

FSU officials and members appeared before the Senate Inquiry into aspects of bank mergers at Parliament House in Canberra on Friday 13th March. On what did turn out to be a black Friday for ANZ workers, FSU members who had been impacted by bank mergers and lost their jobs due to off-shoring had just finished giving evidence to the committee, when news of ANZ's latest round of off-shoring broke. The irony was not lost on anyone there, particularly members of the Canberra Press Gallery.

The Committee seemed to appreciate hearing from FSU members directly, and asked plenty of questions. FSU has been asked to provide more information to the Committee and there may be a further opportunity to present evidence to a Committee hearing in coming months, as the Inquiry is not set to wrap up until September.

A transcript of proceedings is available online at the Parliament House website.

Mark Wilkins from NAB's Lending Services Queensland travelled to Canberra to tell Senators his first-hand experience of losing his job to off-shoring.

*"I think it's important for the future, not just for the finance industry, but for employment in general, that people in my shoes speak up about what's happening."*

*"Someone's got to stop this off-shoring, it's getting out of hand. If people don't stand up nothing will change,"* Mark told Account.



At the doors of Parliament House, heading in to give evidence to the Senate Inquiry. (L to R) James Bennett FSU, Elizabeth Harvey, Carol Gordon FSU President, Leon Carter, Mark Wilkins, Linda Blackmore and Carmel Bourke.

*"Heading through the doors at Parliament House, and walking the corridors to our committee room gave me a great feeling. It felt like a place where big decisions are made, and things can change for the better."*

*"All of us who gave evidence felt good about doing it. Now we need the government to step in. No one else is going to be able to stop banks from sending jobs overseas,"* said Mark.

Mark worked for NAB for fifteen years, before learning that his job was earmarked for India.

*"We were told our jobs were being sent overseas for efficiency reasons, which was fairly hard to take. Eventually NAB admitted it was purely to cut costs."*

*"To know the bank was trying to save a few bucks sending jobs overseas, particularly in the current economic when we should be keeping Australians in jobs, is very disappointing."*

When asked about his future plans, Mark had this to say:

*"We've just had a baby so I'll take some time off to be with my wife and kids. I'm not sure if I'll look in banking or finance, I may try something different. I need to think carefully about where the demand is. I don't want to go into another job to find that is going off-shore. I'm considering going in to teaching next year if I can't find something I like."*



FSU National Secretary Leon Carter and FSU member Carmel Bourke face the media after their appearance at the Senate Inquiry.

# Westpac member fights for individual target reduction

FSU's Queensland office has been assisting a Westpac member who ran into difficulties when she went into a relief role.

Although employed as a Banking Services Representative (BSR), the member found that more often than not she was required to provide relief for Customer Service Representative (CSR) roles. In fact, over a five month period, she only worked as a BSR for two weeks.

The problem? The targets set by the bank related to BSR work, rather than CSR work.

The member, who does not wish to be named, told *Account* that she confirmed before agreeing to go in to the relief pool, that targets would be adjusted to reflect the roles she was filling on each relief assignment.

*"For the first two months, my targets were adjusted, and there was no problem. However, in October I was told that the bank had decided that if people went on to relief they would no longer have their targets adjusted. This was completely different to what I had been told when I first went on to relief."*

*"It's very difficult to meet your targets if you're not performing the role that the targets relate to. The only referrals I was getting were my own. No one else could make referrals to me because I wasn't working as a BSR, and there were other BSRs in the branches that would get the work. It just didn't seem fair."*

In Westpac, unsatisfactory ratings are applied if you fail to meet target twice, and the next step is performance assessment and counselling, and possibly termination of employment.

*"I needed my job, so I decided to fight for my rights."*

The member followed the process for dispute resolution, taking the matter up with various levels of management. On her own, the member hit brick wall after brick wall.

*"Once I had exhausted all of the avenues I could follow myself, I went to the union."*

FSU successfully negotiated for targets in two of the three performance categories to be reduced, and the reduction was applied retrospectively.

*"It's a much fairer situation now. I wouldn't have been able to get this outcome without the union's help," said the member.*

*"The bank sets targets and expects you to meet them. There's no ability to negotiate."*

*"I definitely think that anyone who thinks their individual targets don't match the job they are doing should speak up, and call in the union if you don't get anywhere on your own."*

## → → targets → →

## → → targets → →

# NAB targets win

Workers at a branch of a major bank on the fringes of Melbourne saw a drop in business immediately following the devastating Victorian bushfires. The branch customers, mainly locals who visited regularly, were busy coping with the destruction of their communities, and supporting one another.

For the workers at the branch, concern for their customers was compounded when the bank increased their sales targets, without consultation, almost doubling them.

One worker, who did not wish to be named, spoke to *Account*.

*"We already had to offer every single customer we served an additional product, like a home loan, a credit card, or house and contents insurance."*

*"We get very little passing trade, so you're effectively having the same conversations with the same people. And the people I talk to say they don't want to be hassled when they go to the bank, but we really have no choice."*

*"Every day, our manager goes through our paperwork and quizzes us about every conversation with customers that day – what did we offer them, why didn't we offer them this or that. Twice a week we have someone come in to observe our conversations with customers. If we don't push the sale, we get in trouble."*

*"We'd been put on action plans because it's difficult to meet the sales targets in our branch, with little or no passing trade, and as a result we were told our targets would be increased to help us catch up."*

*"It didn't make any sense. If we weren't meeting our targets as they were, why would we be able to meet them if they were higher. So I rang the union for help."*

An FSU Advocate held discussions with the member, the local manager, and the area regional manager. At the conclusion, it was agreed the members' targets would drop back to the original level.

*"I don't think I would have got this outcome without the union's help, and I definitely feel like I got my money's worth from my union membership."*

FSU - BUILDING A BETTER FINANCE INDUSTRY

**INVEST**  
IN AUSTRALIA

• Aussie finance jobs •

Invest in Aussie finance jobs



Multiple Employers & RBA NEC Delegates (L to R) Jacinta Hill, Rebecca Thomas, Janice Patterson, Domenica Genova, Marc Bampton



Westpac NEC Delegates (L to R) Fiona Jordan, Mel Landsberg, Anne O'Connell, Carolyn Blackburn, Steven Lawrence



CBA NEC Delegates (L to R) Penny Woods, Paula Ridler, Louise Arnfield, Karen Aldridge, Linda Nassar



FSU National Conference 2009 Delegates

FINANCE INDUSTRY  
**RESPONSIBLE LENDING**

• Charter of responsible lending



Mid-sized Banks NEC Delegates (L to R) Jillian Baker, Adam Fay, Greg Owens, Chris Fisher, Yvonne Songer

NAB NEC Delegates (L to R) Elli Doolan, Steve Howland, Susan Walsh, Ian Fryer, Monica Smyrek, Paul Ferrari



FSU National Conference was held on the 24th to 26th March 2009 at Stonelea Estate in Victoria.



ANZ NEC Delegates (L to R) Carol Hester, Adrian Taylor, Joy Buckland



Insurance NEC Delegates (L to R) Jim Convery, Jan Ruwoldt, Ashley Ubrihien

FSU - BUILDING A BETTER FINANCE INDUSTRY

**WORKPLACE DIVERSITY**

- Pay equity • Paid parental leave
- Equal opportunity • Cultural diversity

# Employers & industrial relations

This is a revised article that first appeared in *New Matilda* magazine

Two years ago, a consultant colleague of mine was called by Pacific Brands to assess two of their plants. He concluded that they were so badly managed that within six months they could be returned to profit, and could almost certainly double productivity within 12 months. The person who asked him to do the assessment took the results to top management with a view to regenerating the plants. He was told very clearly that nothing was to be done, as they were earmarked for removal to China. And they were.

This was incompetent and disgraceful management looking for the easy way out, and needs to be publicly exposed.

On another occasion a large food company decided to sack their maintenance crew and sub-contract the work. After the workers left, with a very good but costly redundancy package, the HR manager told me off the record that it was the wrong decision.

When the CEO had ordered him to sack the maintenance crew, he did his own homework and concluded that, given how highly skilled and knowledgeable the crew was, the company would save money by maintaining, rather than outsourcing them. When he brought this information to the attention of his CEO, he was told in no uncertain terms that he was to sack and outsource. He concluded that this had more to do with giving the CEO the appearance of cutting labour costs, than actually saving money.

It would be interesting to examine whether similar sub-contracting out in the finance sector is for the same reasons, and can also be shown to be more costly.

Overwhelmingly employees are frustrated by the end of each working day at the waste and inefficiency they have to endure. In the finance sector the public is told how customer service is the top priority, while they sit endlessly on the end of a phone or in a queue waiting for some service. The employees are well aware that management incompetence, and shortage of staff, make it almost impossible to deliver the service which the institution claims is their top priority.

An interesting study undertaken from University of Melbourne in the nineties examining the role of unionised employees at several NAB branches, and quoted from David Peetz's book "Brave New Workplace" concluded:

'The findings of this study are quite clear. Bank branch performance was clearly higher when employees displayed loyalty to their union, were satisfied with its performance and believed that the industrial relations climate between the two parties was trustful and co-operative. A collective work orientation was also associated with better performance outcomes'.

This showed clearly there need be no contradiction between a unionised workforce and business performance, in fact they are very compatible.

As the Report of the Industry Taskforce on Leadership and Management Skills found in 1995, Australian employers/management are not very good. It concluded that, on the whole, Australian managers were poorly trained compared with international management, and did not provide effective leadership. Unfortunately, all that the report prescribed to fix this problem was new frontline management training and more MBAs.

We need a cultural revolution among our management class and fundamental change in the way work is organised, not more MBAs. The problem we have is systemic, and with very few exceptions, management see their employees as a cost instead of an asset.

A huge problem is that, despite the massive changes in production and technological systems in the past 50 years - particularly the move away from high volume, low cost production and services - most managements continue to be influenced by Frederick Taylor's view that a manager's role is to control absolutely everything, and the slightest amount of thinking and innovation by the employee must be eradicated. A trained monkey should be able to do the job.

This crazy division of labour between thinking/planning and doing, creates rigid hierarchies where by definition the people at the bottom have no say, skills or initiative, and the people above them have all the brains and control.

Most managers see their control and power as more important than the improvement of performance. I have seen some companies be very successful by devolving decisions, upgrading skills, minimising management via flat structures, and encouraging employee innovation - only to see it all changed when a new owner or manager arrives, because re-establishing their power and control is primary. In one case I recall a company that was very successfully exporting their product actually went broke and closed because the new owner reversed the very successful system.

Australian employers/management and their boards, as represented by most of the employer organisations (many of whom have never managed anything), constantly blame other people for their problems, and rarely examine their own performance. It's always payroll tax, complex regulations, company tax, not enough skills - they keep finding new excuses outside their business. Yet when they're in trouble (often of

their own making - for example, because of skills shortages), they look to the government for help.

Employers' current big complaint is Fair Work, the new industrial relations laws that will replace WorkChoices. However, if they bothered to do some homework, they would find that a constructive industrial relations environment that facilitates dialogue between unions and management to solve problems - as the new laws go some way to providing - can actually improve business performance.

A World Bank report released in 2003, which examined over a hundred academic papers on collective bargaining, concluded that it was no barrier to productive improvement and, on balance, probably helped.

Furthermore, there have been various studies around the world which show that, within reason, increasing wages actually challenges management to find better ways of working and introducing new technology in order to cover the increased costs. By contrast, keeping wages low, outsourcing, or going off shore provides less incentive for management to be competent and innovative.

Importantly, direct labour costs for nearly all industries are only a fraction of overall costs, mostly 10 per cent or less. So even if direct labour is cut by 10 per cent, it only accounts for 1 per cent of overall costs.

As the famous management guru Edward Demming, the father of Total Quality Management (TQM) constantly pointed out: in manufacturing (and this would apply to most white collar work nowadays as they are more and more like manufacturing operations), the shop/office floor could only ever account for 15 per cent of overall cost. Most managements, however, concentrate on that, and forget about the 85 per cent where real improvements can be made. It just doesn't make sense.

There are many areas of business management where huge savings can be made without resorting to keeping wages as low as possible. Downtime, absenteeism, and turnover are all very costly. But most companies don't even measure these. If these were fixed to their optimum, the savings would dwarf those made in the effort to keep wages low.

ICI Botany in the early 1980s was a frightful place to work - huge amounts of overtime, many strikes, huge downtime, extraordinarily low employee morale and poor management. It was described by ICI's CEO as the worst plant in its global empire.

Over a period of five or six years, thanks to management working constructively with employees and union shop stewards (especially in the maintenance and services departments) the plant was turned around to the point where, according to the CEO, it became just about the best in the world.

Breakdowns were a major problem, so working with the departments responsible, and via work teams and skills upgrades, they developed a program of no-breakdown maintenance, mainly driven and designed by the teams, which led to almost 100 per cent uptime.

This was done at the same time that employees were given decent wage increases, and not only was overtime virtually eradicated, but employees were often working less than 36 hours a week. Remarkably, the employees even got compensation for the wages lost because of less overtime. By solving the downtime problem, the savings were far greater than simply battling one another to keep wages low.

The employers and Opposition have strongly opposed the new Fair Work Australia laws. If they viewed industrial relations as an integral part of the total management strategy, instead of something that's handled by the HR department, they would recognise the significant benefits the new laws provide. In other words, employers and their organisations often don't understand what is in their own best interests.

Managing is far too important to be left to management, as poor management is very often the reason for business failure and job loss, not higher wages. Unions should encourage and train their members to develop a checklist of waste, inefficiencies, and incompetence. The checklist should then be raised as part of bargaining the enterprise agreement and demand that the members and all employees have say in the improvements, and demonstrate that these will far outweigh the wage increase which the boss will be grumbling about.

In Europe this process is now often referred to as Boxing and Dancing. That is the union is happy to work constructively with the employer to improve performance, the dancing part, but when necessary e.g. negotiating the enterprise agreement, is also capable of, and will revert to traditional union activity to achieve its objectives, the boxing part.

As the nineties NAB study showed there is no disconnect between the FSU members being active and loyal to the union, but also wanting and actively assisting in a more efficient bank.

# National OHS Laws Review update - Panel's harmonisation recommendations threaten Workers' OHS rights

Finance Sector workers stand to lose important OHS protections if many of the Panel's recommendations go ahead. Some key problems are discussed below.

## Attack on Health and Safety Reps' (HSR's) Rights

HSR's are workers' representatives who have rights and powers and who exercise these rights to support their colleagues OHS interests. Regrettably, the Panel recommends that an employer, Regulator or single worker (rather than a majority of workers) from the relevant workgroup, will be able to go to Court to have a HSR removed for allegedly acting unreasonably or being neglectful.

Current standards include that such action should only be taken in serious circumstances, such as the HSR acted with "intent to cause harm". New standards should therefore not be introduced to enable potential abuse of a HSR.

## Limits proposed on Employer's obligation to Consult on OHS

It is widely accepted in Australia and internationally that worker involvement in OHS improves workplace health and safety outcomes. Unfortunately, the Report recommends that employers will only need to consult "if reasonably necessary" and to take account of views from those "directly affected".

There is no need to place this kind of qualification on employer consultation. FSU members are also aware that what may affect one group of workers in an enterprise, may well impact on others. As such, consultation should not be limited by who may or may not be, "directly affected".

## No Union Right to Prosecute Employers for breaching OHS Laws

When Unions undertake prosecution action, it is on behalf of the employees. The Report proposes that only the Regulator (such as Comcare or NSW Workcover) should have this power, or where the Regulator fails to act, the Deputy Public Prosecutor may then become involved. FSU is unaware of any Regulator undertaking a prosecution against a Bank for breaching OHS laws. The Report seeks to further restrict Union rights to investigate OHS breaches by proposing that 24 hours notice is required when documents are sought to be inspected.

## What can you do to help protect your OHS entitlements?

Work is underway now to enable Model OHS laws to be adopted by all Governments in 2011. So it's important you:

- Get to know your FSU HSR - Participate in the actions the HSR proposes. Don't have a HSR? Contact the FSU Member Rights Centre for assistance.
- Check out the FSU Website for more details – on the Report's recommendations and how you can get involved to help protect your OHS workplace rights. <http://www.fsunion.org.au/Occupational-Health-Safety/default.aspx>

## The Eye

The Global Financial Crisis is capturing the imagination of the world's media. Suddenly, media outlets previously uninterested in running stories on financial matters, finance sector jobs, or finance unions are clamoring for comments, analysis, and finance workers to put a "human face on the stories". The finance sector is definitely the flavour of the month, for all the wrong reasons.

With every new announcement of jobs being cut or off-shored, the FSU and its members are in demand to feed the media machine, and stories of hardship and loss are highly prized.

The FSU Communications unit is frequently fielding requests for talent - a member who can give a first-hand account of what morale is like in their workplace, how secure or insecure they feel, or to recount the experience of being made redundant, or losing a job to off shoring.

Our instinct is to protect members; after all, that's what unions are all about! And with rising insecurity about the future of jobs in the finance sector, this is a very worrying time for our members. The union has no desire to exploit the distress and insecurity some members are experiencing. But there are distinct advantages in having our side of the story reported and for members' voices to be heard.

By being heard, the decision makers in our industry and our government are forced to confront the reality of FSU members' concerns and individual situations. To effect change, we have to make them sit up and take notice.

If you're still in a job, it's really difficult to stick your neck out and be a public face of a media story. We understand and respect that.

But there are many ways FSU members can be involved in the public discourse around the impact of the Global Financial Crisis, without risk of exposure.

Within the union communications suite, you can participate in surveys, post anonymously on FSU online forums, write letters for publication in the union's quarterly magazine with a request for anonymity, and post on the FSU Facebook group, either on the wall or by kicking off or contributing to a discussion. The nature of Facebook is such that you are readily identifiable by your name and profile picture, but the medium also seems to inspire uncensored discourse on every subject imaginable.

Even if you don't post on the FSU Facebook page, look for groups on off-shoring, job security (or insecurity) or banking, finance or insurance - you can influence a great number of people by submitting a thoughtful and concise post that gets your message out there.

Traditional means of having a say, such as writing a letter to the editor of a newspaper, or ringing talkback radio are great ways to participate. But increasingly, Australians are getting their news online.

Many news sites provide a space for comments on news items - this is an ideal opportunity to have your say. You can usually choose an ID that protects your true identity, and allows you to contribute your first hand knowledge or opinion on the news of the day. A large percentage of our news these days is about your issues - take the opportunity while it is available to make yourself heard on the issues that are important to you.

Many members report they have trouble accessing external internet sites from work computers. However, many websites are enabled to be viewed via mobile phones. Try typing "m" instead of "www" before your favourite news website URL, and you may be able to keep up with the news and contribute to online discussions using your mobile phone. Remember to observe employer restrictions on mobile phones in the workplace, and try it out next time you're on a break. Reading the numerous posts on news websites such as ABC Online, News.com.au and heraldsun.com.au I can confidently say these forums need to hear from finance workers directly. A lot of the people posting on these forums have no idea what you're going through.



The Union Show, 21 April 2009.



The West TV, 8 April 2009.



ABC TV News, 18 April 2009.

## Redundancy and your super

When employees are made redundant, a number of decisions may need to be made in a fairly short time.

One of the first things on the redundancy 'to do' list is to make sure you get all your entitlements for accumulated leave, days in lieu, long service leave, superannuation and redundancy pay from your employer before you leave.

Check out your savings position and see how long you can meet your bills from savings. It is wise to contact your bank and let them know you might need to negotiate a repayment holiday from loan repayments for a few months.

Remaining positive that another job will be found, or that the business opportunity you were always keen to activate is now ready to be dusted off and moved forward, is essential. For most people, getting your CV updated for job search is an important priority, and FSU can help members with this.

For many people in this situation, the last thing that seems to be thought of is what happens to your super.

Forgetting about your super can cost you a lot of money in higher fees. Some employees are moved into different superannuation products once they are no longer with their employer. Often the product transferred into may have a higher fee structure or different insurance cover or other benefits.

For people in corporate funds, the employer commonly shifts your super into the retail version of the corporate fund you were with. This may involve you unwittingly paying substantially higher fees and higher premiums for Death and Total and Permanent Disability (TPD) insurance cover if you don't ask for your super to be transferred to an alternative super fund that you nominate.

If your balance is low, your super could also be transferred into Eligible Rollover Fund (ERF) which may have lower investment returns.

The Minister for Superannuation and Corporate Law, Senator Nick Sherry has pointed out that some retail funds might charge a fee of 1% for fund members in a corporate fund whilst members are employed but once retrenched transfer them into different products. Some of which are double the fee even though the investment option and the level of service remain the same.

Whilst a fund's product disclosure document is required to inform consumers of its fee structure, often a fund may bury that information deep within the document.

If your super is with an industry fund, such as AustralianSuper, the industry fund for the financial services sector, your fees and cost of insurance cover before and after redundancy will usually remain the same.

For AustralianSuper members, provided you have at least \$1,000 in your account, fees, costs, investment options and insurance cover will remain the same as when you were employed even though contributions are suspended until you start with a new employer.

Under Choice of Fund most people have the right to ask their employer to contribute super contributions into your fund of choice.

Make sure you take control of your super as one of the early tasks on your 'to do' list if you are made redundant. At least your super won't be leached by additional fees for no extra service while you are looking for work.

If you want more information on super and redundancy call AustralianSuper on 1300 300 273.

This article was supplied courtesy of AustralianSuper.

## Looking after your career during turbulent times

Just 12 months ago, finance companies were struggling to overcome serious skills shortages being faced by the industry. Since then, the Global Financial Crisis has hit and instead of struggling to fill positions, companies are increasingly letting staff go. In the short term, a slowing world economy means that there'll be job losses and more competition for fewer jobs. In the longer term, as the economic outlook improves, there probably won't be enough skilled people to fill the available jobs in the industry.

So what does this mean for someone who wants to maintain a career in the industry? Now is the time to position yourself so that you're ready to take the opportunities that will arise when the economy picks up again. Following are some tips from the FSU Careers Centre to help you do this.

1. **Maintain a good awareness of what's going on in your profession and industry.** Online job databases, the internet, company websites and the FSU website all provide information you can use to make smart career decisions.
2. If the work you're doing looks to be in a declining part of the industry, consider which other parts of the finance industry would value your skills.
3. Strong communication, team work, relationship management, leadership, analytical and problem solving skills are highly valued across the industry. Look for opportunities to develop these skills and think about how you'll be able to convince others that you have these skills.
4. **Know what's important to you**, what skills and abilities you have and which ones you'd like to further develop.
5. **Keep learning.** Now is an excellent time to add to your qualifications.
6. **Develop and maintain your career management skills.** In particular, make sure your résumé is current and ready for use.
7. **Seek help if you need it** – start by visiting the online FSU Careers Centre.

For more information and access to FSU careers services to help you navigate a career in the finance industry, visit the FSU Careers Centre at [www.fsunion.org.au](http://www.fsunion.org.au).

### Make FSU your career partner

**The finance market has moved.**  
**SEEK & you shall find** Visit the FSU Careers Centre  
 @ [www.fsunion.org.au](http://www.fsunion.org.au)

# Getting the most **bang** for your spending buck!

With the Australian Government's economic stimulus package being delivered as we go to print, FSU members should be aware of the two retail shopping services provided for members as part of FSU Member Services.

### Union Shopper

Union Shopper provides excellent savings for FSU members and it is easy to access. Decide upon the details of your purchase such as brand name and model number and note the best price you can find.

Call Union Shopper on 1300 368 117 to advise their staff of your details and let them do the rest. They will call you back with the best available price usually within 24 hours.

### Spendless Buying Advisory Service

Spendless Buying Advisory Service is another free service to FSU members through our membership of the Ambassador Card program. Again, sort out your purchase details as above and call Spendless on 1800 352 600. They will let you know the best available price either straight away or within the following 24 hours.

Both buying services are free for FSU members. Both provide prompt follow up advice on the best available prices for your desired purchase. Even where they confirm that the price you have can't be bettered, at least you have peace of mind knowing that.



*Both FSU Member Services save FSU members money – guaranteed!*



# Margaret River

Accommodation

## Leeuwin Apartments

### Great Rates

For costs and conditions of booking, please contact the FSU WA office.

### How to Book

Contact the FSU WA Office:  
Phone > 1300 366 378  
Email > wa@fsunion.org.au

Unit 17 Leeuwin Apartments, is operated by the Finance Sector Union WA Office and is available to FSU members and their families.

The unit is fully serviced with 3 bedrooms (sleeping 6 people) and offers a host of amenities including:

- Swimming pool, 3 heated spas, gym, sauna, tennis court, children's playground and BBQ facilities.
- Only 5 minutes walk to Bussell Highway - Margaret River's main street.



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Ma Kham, AustralianSuper member.

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# FSU Member Rights Centre

## Protecting your rights at work

The FSU Member Rights Centre is staffed by experienced operators who can provide you with advice and support on all sorts of issues at work.

For:

-  **information**
-  **advice**
-  **support**



about an issue in your workplace call the Member hotline on:

# 1300 366 378

8am to 6pm (EST) Monday to Friday.



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