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2010-11 Budget Submission

The Finance Sector Union of Australia (FSU) welcomes the opportunity to submit priorities and ideas for the 2010 budget. Our union represents 50,000 members employed in the finance sector across Australia. The FSU and its members support the need for a dynamic and competitive Australian finance sector staffed by well trained and properly resourced employees.

Skills

We welcomed the recent report¹ by the Australian Financial Centre Forum (AFCF) and endorse the general thrust of the recommendations. The FSU obviously has a particular interest in issues around 'human capital' as discussed in the report and would welcome any coordinated plan backed by Government to grow the finance sector industry.

A highly skilled and professional financial services workforce will deliver benefits domestically and ensure that Australia is an attractive location for international companies to base their regional operations.

The FSU's Skills Forum in 2008² drew attention to the need for more training and education to ensure Australia's finance sector prospered. The recommendations from the FSU forum are consistent with those subsequently contained in the AFCF report.

We urge the Government to allocate funding to the areas identified in chapter 5 of the AFCF report, particularly those in Box 5.1, which sets out a number of important areas where the Government can help to develop a highly skilled financial services workforce.

Deposit Guarantee

The Australian Government's guarantee for deposits and wholesale funding helped to deliver confidence in the financial system at a time of crisis and has undoubtedly delivered significant benefits, especially to the major banks. The guarantees are ultimately underwritten by taxpayer funds, regardless of whether the banks are paying a fee.

If the Government chooses to continue the guarantees in the 2010 Budget then we believe it would be entirely reasonable to attach mutual obligations to demand better corporate behaviour from the banks if they continue to access the guarantees.

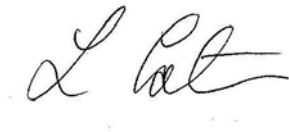
¹ *Australia as a Financial Centre - Building on our Strengths*, Report by the Australian Financial Centre Forum, November 2009.

² <http://www.fsunion.org.au/News-Views/Publications/FSU-Futures-in-Finance-Skills.aspx>

The FSU believes such conditions should include measures to safeguard Australian jobs against practices such as off-shoring, maximise Australian employment, lend responsibly and effectively to all market segments and require the observation of social obligations ensuring that banks do not withdraw services to disadvantaged communities or groups.

If the guarantees are continued then we would also urge the Government to review the fee structure to ensure that smaller banks are not competitively disadvantaged and continue to play their vital role in the Australian market place.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L Carter', written in a cursive style.

Leon Carter
National Secretary

1 February 2010