



Australian Banking
Association

30 November 2022

Employment Taskforce
Treasury
Langton Cres
Parkes ACT 2600

By email: employmentwhitepaper@treasury.gov.au

Dear Colleague,

Employment White Paper Consultation

The Australian Banking Association (**ABA**) supports government policies designed increase the ability of the workforce to meet the needs of the economy.

This submission details the ABA's views on three key areas of focus for the White Paper:

- The future of work. We note that the job production potential from the decarbonisation of the economy will be enhanced by sector specific decarbonisation pathways, a green taxonomy and the provision of national data sets that will enable effective decision making.
- Equal opportunities for women. We highlight four key areas: childcare, technology skills development; formalisation of micro-credentials; targets.
- Future labour force participation, particularly with respect to evolving the education sector and adjusting migration settings.

As employers of well over 200,000 people, the ABA's member banks are committed to doing their part to upskill and reskill their workforce. I would be pleased to meet with you to discuss any of the content of this letter.

Kind Regards,

Head of Economic Policy

Annexure

1. The future of work

1.1 The energy transition and tackling climate change to achieve net zero.

Finance can help create the jobs of the future

We are supportive of the current suite of government policies designed to move the economy towards net zero by 2050. The banking and finance sector can play its role by providing financing to projects and entities that align to the nation's nationally determined contributions (NDCs) targets. To do so efficiently we recommend clear policy and regulatory settings:

- **Decarbonisation strategies** for hard to abate sectors such as households. This will generate demand for green infrastructure whilst contributing to the nation's NDCs.
- **Development of an Australian green taxonomy** to enable the flow of funding to green ventures and build skills, jobs, and capacity in these emergent areas.
- **National data sets** provided by governments have an important role in enabling banks to consistently disclose their green funding activities.

Banks, and the finance sector more broadly, will require skills updating

Many banks do not currently employ climate or natural capital scientists and risk subject matter experts with the knowledge to analyse and interpret climate and natural capital data. There is a requirement for baseline ESG and specifically climate and natural capital skilling across the banking and finance sector workforce.

We note the climate, green, and sustainability skills gap in banking and are supportive of the findings from the UTS Institute for Sustainable Futures report (**'the report'**) that:

'there is currently a climate skills gap and that the gap is likely to grow.... Climate skills are being integrated into financial system regulatory practices through regulators including the Basel Committee on Banking Supervision and Financial Stability Board.'¹

The report identified that key '[F]inancial centres including Singapore, United Kingdom, Ireland, Japan and Hong Kong are focusing on climate and sustainable finance skills development.'²

The report concluded that 'Australia can establish an Australian sustainable financial system learning ecosystem through the establishment of a Sustainable Finance Skills Partnership, with an annual Australian Sustainable Finance Skills Report providing a mechanism to benchmark development on an annual basis.'³

1.2 The transformation associated with digitalisation and emerging technologies.

Banking has been transforming from a bricks-and-mortar notes-and-coins service to a digital service that can transfer value through the economy within seconds. Bank customers have gradually shifted from branches to internet-banking, and now to app-banking. As a result, the skillset required of bankers is also changing apace albeit with limited supply in required skills.

¹ Atherton, A., Noble, G., Nagrath, K., Cunningham, R., Gooley G., 2022. Advancing climate skills in the Australian financial system. Sydney: University of Technology Sydney p5 ([link](#))

² Ibid

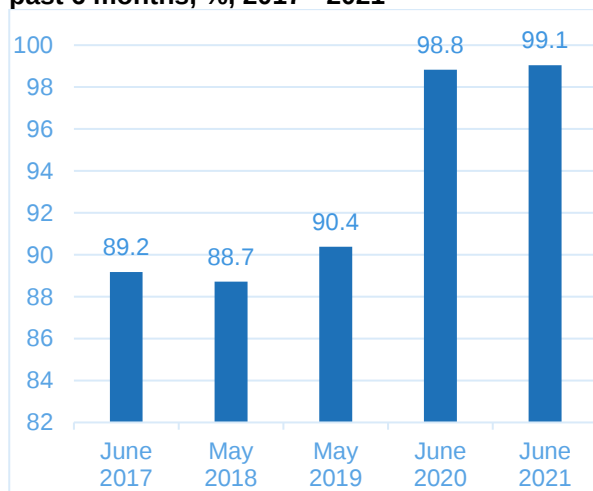
³ Ibid

Bank customers choosing digital

We have seen significant adoption of digital technologies, particularly in banking and payments. In June 2021, nearly all Australian adults (99%) reported having access to the internet (Figure 1), with 91% reporting access to the internet in their home.

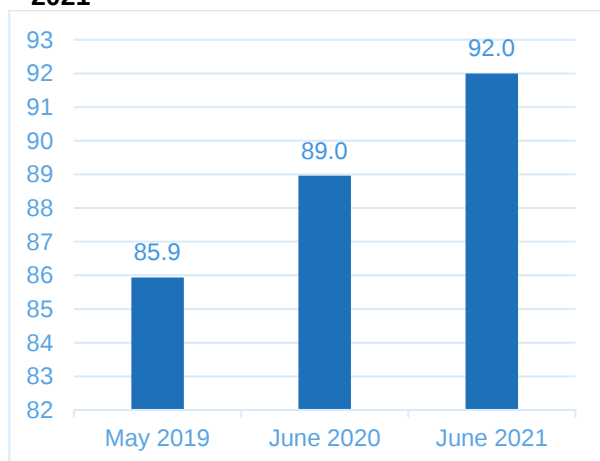
The uptake of digital technologies is influencing the way that Australians conduct their banking. In June 2021 nearly all Australians (99%) reported having performed banking activities online, up from 86% in May 2019, Figure 2. Online banking activities are increasing among all Australians, regardless of age or location, Figures 3 & 4.

Figure 1: Whether accessed the internet in past 6 months, %, 2017 - 2021



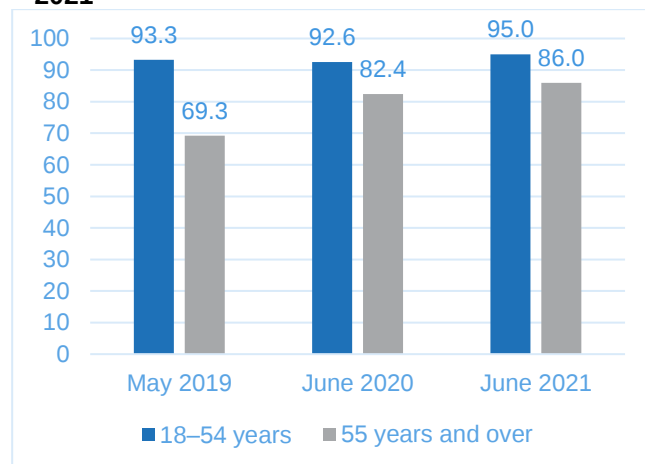
Source: ACMA, How we use the internet, Accessibility file; ABA

Figure 2: Whether performed banking activities online in past 6 months, Age %, 2019 - 2021



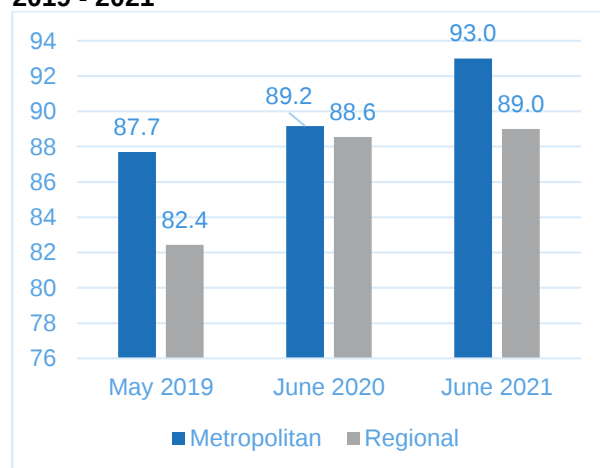
Source: ACMA, How we use the internet, Accessibility file; ABA

Figure 3: Whether performed banking activities online in past 6 months, Age %, 2019 - 2021



Source: ACMA, How we use the internet, Accessibility file; ABA

Figure 4: Whether performed banking activities online in past 6 months, Location, %, 2019 - 2021



Source: ACMA, How we use the internet, Accessibility file; ABA

We see more people using digital banking, cards replacing cash, and a decrease in the preference for banking at branches.

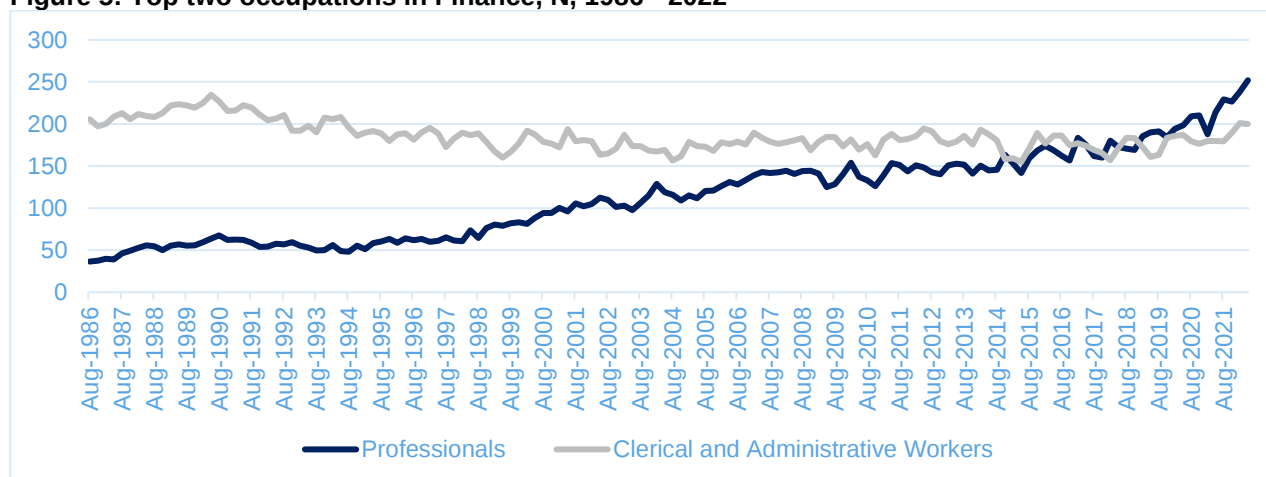
Additionally, the digital economy has played out in a significant alteration in the skill mix of bank employees.

In 1986, the finance industry was dominated by clerical and administrative workers, with two hundred thousand employees; today professions and highly skilled jobs are the dominant occupation (Figure 5).

This also reflects the increasing trend away from employment in retail branches. The work of bank staff is heavily data centric. For example:

- In banking technology roles, there is increased emphasis on fraud detection, cyber security, cloud, data, and software engineering, and data analytics skill sets.
- In banking risk roles, there is increasing specialisation for risk professionals in line 1, 2, and 3 roles across the entirety of the bank's operations. These roles rely on timely, accurate data.

Figure 5: Top two occupations in Finance, N, 1986 - 2022



Source: ABS, Detailed quarterly labour force statistics; ABA

Future banking skills demands

We are presently in the 'app' age of banking; however, soon-to-be maturing technological advances will continue to change the form of banking:

- Emergent digital services (and the next generation of these services) will alter the payments landscape as we know it today. These services include PayTo for business, NPP for individuals and businesses, digital wallets, stable coins, CBDCs, crypto, and the Write-Access of Open Banking in the Consumer Data Right.
- Development of cross-sectoral and government ecosystems to combat breaches and scams.
- Digital ID for secure digital communications, transfers, and transactions.
- Data enhancements by the prudential supervisor, APRA, with multi-year projects such as Modernising the Prudential Architecture and Comprehensive Credit Collection.
- As banking processes become automated, we see a need for investment and development in less automatable skills such as complex problem solving, critical thinking and agility.

The above list is a small sample of the changes that banks are currently processing (and are at varying stages of maturity and development). Each change requires a complex set of skills such as project management, solution architect, data analysts, business analysts, change managers, trainers, compliance, risk, and other competencies that will need to understand these technologies and data to do their job. We make suggestions for meeting these challenges under section 3 of the submission.

Digital competence for the workplace

There are differences between roles that will be needed to enable banks to distribute products digitally (i.e., tech roles like engineers, and digital roles like UX /UI designers) and those roles that will need to use more digital tools (front line).

The Digital Skills Organisation (**DSO**) notes that eighty per cent (80%) of the general population are not considered to be career-ready for digitally enabled jobs and that there is a need to demystify the language and change people's views of digital roles. It also notes the Australian tech sector is facing a

critical digital skills shortage citing that Australia needs 60,000 digital professional per year, whilst currently producing 10,000 graduates per year. Further, the graduates that are emerging from Australian universities are not making their way through to Australian employers⁴.

The DSO identifies 5 skill standards levels with increasing standard of sophistication:

- Digital Literacy (general population)
- Digital Fluency (general workforce)
- Cyber Security Professionals
- Data Analytics Professionals
- Software Development Professionals

We support this segmented approach to confirm the data-readiness of staff for specific roles. We also encourage government policy that will mature the virtuous cycle of increasing technical and specialised jobs leading to increases in the demand on local universities and institutes for STEM graduates who can be placed into these positions. Finally, we support an expanding role for the DSO in planning for and implementing strategies to meet the demands for a tech-enabled labour force.

The following is a case study of how an ABA member, Bendigo and Adelaide Bank is contributing to the development of STEM skills in the regional workforce:

Case study “Grow Our Own”

Bendigo and Adelaide Bank supports the Grow Our Own initiative in the New South Wales Riverina region. This program is managed by Regional Development Australia and brings together local industry, education, community, and government leaders to respond to the needs of industry.

The aim of the program is to highlight career and education pathways for young people in the Riverina region. The program does this by offering work experience, providing advice on financial support to access higher education, advocating on workforce issues within the region, offering speaking opportunities for local leaders to students and teachers about job roles and career pathways and co-ordinating the Murrumbidgee Academy of STEM Excellence, which offers STEM capacity building to primary and secondary students and teachers within the Riverina region.

Source: Bendigo and Adelaide Bank

⁴ Referenced from an in-house discussion with ABA member banks



2. Equal opportunities for women

Women comprise an increasing portion of roles in management and leadership positions in banks (refer to Figure 5). Progress has been made and banks remain focussed on achieving equality having implemented extensive policies including:

- Setting targets for achieving gender balanced representation and pay.
- Using a combination of commitment and public disclosure to demonstrate progress.
- Implementing gender equitable recruitment processes.
- Implementing flexible working arrangements.
- Enabling gender-focussed employee networks.
- Enabling job-share arrangements.

We see three policy areas as significant levers for increasing the participation and opportunities for women in the professional workforce:

(a) Childcare

There is opportunity to reconsider the provision, access, and funding arrangements for childcare. Examples of policy levers which could be utilised:

- Cost sharing arrangements between employer and government versus treating the expense as a personal deductible expense.
- Linking childcare to employment disadvantage.
- Recognising the caring role performed by extended family members such as grandparents.

The ABA supports the recent announced reforms on paid parental leave of a 'shared responsibility' approach between men and women. A 'shared care' approach gives the flexibility to decide who is the 'primary carer' and therefore removes financial incentives for women to stay home and men to go to work. Additionally, the ABA supports the extension of the superannuation guarantee to the Paid Parental Leave scheme.

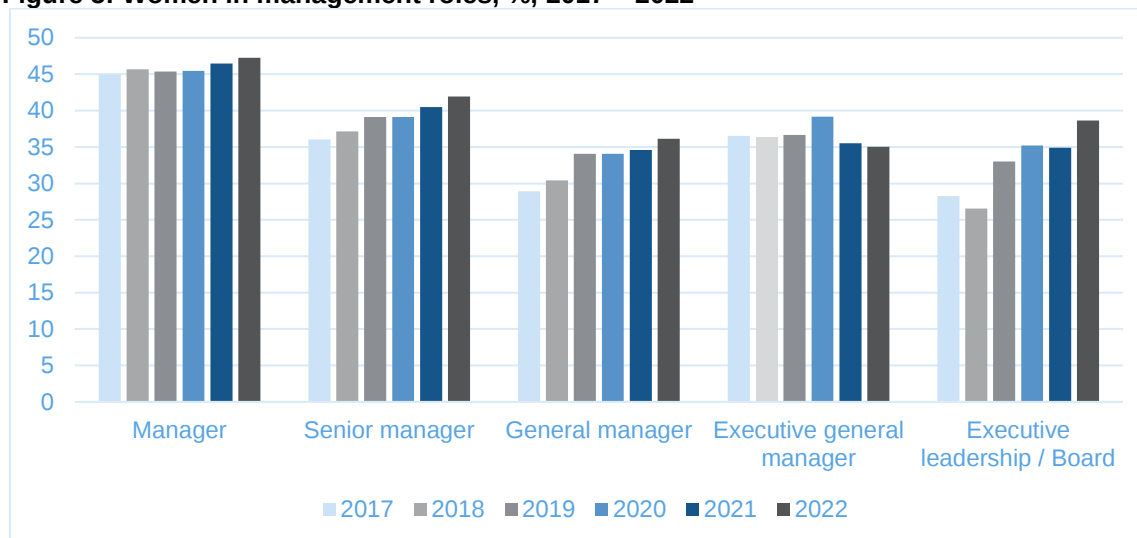
(b) Skills development – Technology

Women are underrepresented in the technology field which is a future growth area for employment in the banking sector. Government can seek to improve support for women to transition into technology jobs through training (re-training) and education (including micro-credentials). Additionally, to assist in developing a healthy pipeline of trained staff, we think consideration should be given to structured 'apprenticeship' programs for university information technology students.

(c) Skills development - micro-credentials

We support programs focussing on skills development as portable, micro-credentials could provide an alternative recognised pathway to upskill without enrolling in fulltime or parttime study.

Figure 5: Women in management roles, %, 2017 – 2022



Source: Annual & WGEA reports, CBA, NAB, ANZ, Westpac, BOQ, Suncorp, Bendigo & Adelaide; ABA

ABA members are committed to developing opportunities for women in banking and STEM careers. The following is a case study of ANZ's support for fostering interest in technology for school aged girls:

Case study: 'Go Girl, Go for IT'

'In August 2022, ANZ hosted over 1,700 female students at Go Girl, Go for IT – a fun, free, one day technology conference for girls in years 5–12 across Australia. ANZ has supported the program for several years and is a diamond sponsor. The event focuses on inspiring students with role model speakers, showcasing future technologies and challenging preconceptions of what a career in technology might look like.' Source: [2022 ANZ ESG Supplement p73](#)

3. Labour force participation,

3.1 Labour supply and labour market

We suggest the following as considerations for improving labour supply and the efficiency of the labour market more generally.

Overcoming practical barriers

We encourage steps be taken to minimise practical barriers to employment, through the provision of:

- Financially accessible and reliable public transport system to provide efficient and cost-effective access to the physical workplace.
- Reliable and accessible NBN to enable greater work-from-home productivity.
- Quality childcare options for working families.

Improving workforce participation of people from underrepresented group

ABA members seek to proactively expand work opportunities for underrepresented groups in their organisations by setting commitments for representation and reporting against those commitments (for example, through reporting in annual reports). Below is a case study from Bendigo and Adelaide Bank.



Case study “Rural Women Online”

"Rural Women Online is a joint initiative of the Helen McPherson Smith Trust and Bendigo Bank, delivered by the Victorian Women's Trust. The program upskills women in digital literacy through a mentorship model where women can learn in an inclusive and non-judgemental environment. Our Community Enterprise Foundation funded the Rural Women Online project with a \$165,000 grant which has enabled the project to be rolled out across rural Victoria."

Source: [*Bendigo and Adelaide Bank Sustainability Report 2022 \(p. 27\)*](#)

Most banks have Reconciliation Action Plans which set out their commitments to employment and career progression opportunities to enable economic participation of First Nations people and Accessibility & Inclusion Plans which set out their commitments to increasing workforce participation of people with disability. Some also have dedicated employment programs for refugees, people with disability, neurodivergent people and First Nations people.

Case study: Given the Chance

Since 2007 ANZ has worked with the Brotherhood of St Laurence to assist refugees and asylum seekers with opportunities to enter the Australian workforce through the Given the Chance program.

The program supports job seekers into six-to-12-month work placement opportunities, providing them with invaluable work experience to enter the local workforce. ANZ have accommodated over 350 participants across the bank in Victoria, New South Wales and Tasmania since the program commenced.

Given the Chance participants are highly engaged, skilled and motivated, and they make a positive contribution to their team, the bank and their community.

This year saw the highest number of recruits in the program's history, with 55 participants hired and 14 of those gaining permanent employment. (Source: ANZ)

Case study: Chance for all

In 2022 ANZ strengthened its partnership with Brotherhood of St Laurence by piloting a new employment program A Chance for All to offer six- to 12-month placement opportunities for individuals with a disability.

Launched in late May, eight participants have been placed across retail, customer service operations and digital roles. The pilot will be reviewed towards the end of 2022 with an aim to add it to core offerings, advocating for and providing job opportunities for individuals with disabilities. (Source: ANZ)

We encourage government programs which uplift opportunities for people from underrepresented groups, including by:

- Ensuring appropriate policy settings which address all aspects of the recruitment process and career pathways. Achieving parity means considering underrepresented Australians in all

stages of employment, from, recruitment, development, and retention of talent. Ensuring a diversity of candidates when selecting interviewees.

- More generous childcare policies to remove financial disincentives to work and reforming paid parental leave to a shared care approach.
- Government subsidised traineeships to tackle youth unemployment.
- Subsidised transport and technology to assist disadvantaged young people study and work.

We suggest consideration be given to unlocking the productive power of the mature aged workforce through mechanisms such as:

- Extension of the temporary upfront \$4,000 income bank credit to allow age pensioners to work and earn more before entitlement reductions are introduced.
- Additional industry incentives to hire older workers (we note the Workforce Australia Services Wage Subsidy).
- Support for alternative work patterns for older Australians (for example, working 1 or 2 days a week in the care economy).

3.2 Skills and education

We see opportunity for tighter integration of university/VET and employment opportunities through:

- Development of university teaching specialisation (as distinct from research specialisation) so the teaching academic cohorts can deliver courses aligned to industry. A specialist university teaching cohort could focus on co-design of university/VET programs with corporates and consulting services to improve graduate outcomes and enhance employability into in-demand roles.
- Coherent frameworks across tertiary and VET providers. Clarity in the skills and education delivered through universities and VET. A clear segmentation will enable targeted service delivery and student capability uplift.
- Improving TAFE content, which is also important to fill the digital and technology skill requirements. With industry involvement, it can be better leveraged to provide pathways into entry level roles such as data analysts or ICT support technicians.
- Integrated final semester of undergraduate years with business on a shared teaching platform.
- Incentivising and development developing pathways for planning and training for mid-career and late career transitions for example into teaching, banking, nursing, and other professions requiring digital skills.
- Government could support or broker partnerships between industry, VET, and universities to get the quality and currency required. There could be opportunities for partnering with established companies, that offer professional certification, who are developing training content at the pace of business.

We see an opportunity to diversify the recognised field of qualifications through:

- Development of registerable micro-credentials. For short courses and micro-credentials to have their full impact, it is critical that they can be properly recognised, recorded, and rewarded for the capabilities they signify.
- Portability of industry/micro credentials. The ability to hold 'digital certificates' attesting to training undertaken, whether short courses or in-house corporate training, that is recognised cross-industry and can follow the employee from job-to-job. In banking, micro-credentials could be used for compliance, professional skills, and banking specific skills and/or knowledge (for example Basel III, Anti-money laundering training).

Additionally, we see opportunities in adjusting pricing to remove disincentives to training/retraining. For example, the Fringe Benefits Tax on training staff in areas that are not core to their role operates as a disincentive for businesses to reskill employees.

The following is an example of a bank-led micro-credential that could be formalised through the provision of digital certificates:

Case study: Workplace micro credentials

Westpac partnered with Massachusetts Institute of Technology to improve the digital and data skills of over 100 of its senior leaders. The tailored program assessed the impact of digital on Company success and built awareness of emerging technologies and digital platforms. [Westpac 2022 Annual Report p29](#)

The ABA also supports industry proposals to develop and pilot programs focussing on digital skills for mid-career and mature age workers, noting that the absence of these skills is increasingly a barrier for participation in meaningful and consistent employment. These programs could include financial support from government and a framework for recognition of work-related training and credentials.

The ABA notes that there are successful ‘lifelong learning’ programs overseas (such as Singapore) which provide examples of models that could be leveraged locally. The ABA’s members would welcome the opportunity to discuss how banks could partner with government to address the digital skills gap for mid-career and mature age workers.

3.3 Migration settings

We support migration settings that complement the domestic workforce. We make the following observations and suggestions for the short and long term.

Short-term opportunities and challenges for Australia’s migration system

- The migration program is a critical tool to solving the jobs and skills shortages (both skilled and unskilled). The Government’s new agency, *Jobs and Skills Australia* should be empowered to advise on the make-up of the migration program to ensure skills and migration policies complement each other.
- It will take time for the flow of workers to resume to pre-covid levels. We encourage a broad scaled campaign to promote that ‘Australia is open’ and will not close.
- A balance needs to be struck on respect to onshore/offshore options for employment. We want to grow jobs in Australia, but we also want to access the best global talent to deliver to customers. Sometimes this will mean supporting skilled migration, but it could also mean having offices outside of Australia (e.g., banks employ bankers in London to support Australians exporting to/living in the UK and British wanting to do business in Australia).
- Pathways to permanent residency should be made clearer, for example:
 - We suggest the pathway for Working Holiday visas to be extended ideally up to 2 years with no restriction on length of time with employer. There should be a clear pathway to extend these visas to a 4-year work visa or TSS visa and ideally for longer period (4 years for all categories), this will open a clear pathway to Permanent Residency.
 - Many in-demand roles have limited or no pathways to permanent residency.
 - This includes roles such as Financial Investment Advisers/Managers, specialist Human Resources Professionals/Manager roles, Public Relations Professionals, Graphic Designers, Recruitment Managers and Consultants, Information and Organisation Professionals, ICT Professionals (Support Engineers, Quality



Assurance Engineers, ICT Account Managers/Project Manager), Records Managers and Database Administrators.

- This has impacted banks negatively as it makes it harder to attract the right talent, most notably where banks are seeking a high-level candidate for a high-level role and have exhausted the competitive domestic market.
- Where banks have less incentive to bring candidates to Australia, and candidates have less incentive to commit to shorter-term opportunities in Australia, it makes those types of roles much harder to fill.
- The Temporary Skill Shortage (TSS) visa can be enhanced as follows:
 - Expediting the TSS visa by removing the requirement for Labour Market Testing (LMT) to advertise locally for 28 days in the current environment where labour is in short supply.
 - Considering reverting to four-year terms for TSS visas combined with quicker and easier pathways to permanency.
 - Adjusting the relevant degree requirement. Banks now hire from far more diverse educational backgrounds to increase their depth and breadth of skills and capability. Many banks do not require a relevant degree although they do require solid job experience within the sector. The current list assessment process does not allow for this flexibility which limits banks' ability to sponsor in some cases.
- Employer sponsorship could be more attractive by:
 - Lowering the cost of visa sponsorship, especially for in-demand critical skills.
 - De-risking the process by allowing progress payments rather than up-front lump sum payment.
 - Providing guarantees of processing times to provide certainty for sponsoring employers.
 - Improving banking sector pre-employment background checking (required due to the highly regulated nature of banking) through a centralised mechanism to provide hiring confidence and turnaround times.
- We can address skills shortages and optimise our skills mix over the long-term by improving migration settings. For example, this could be done by:
 - Improving global workforce mobility on immediate capability gaps (for banks this includes Cyber, AML/CTF, AI, quantum computing).
 - Addressing the limitations of the Short-Term Skilled Occupations List (STSOL). Banks often need to determine if they can utilise occupation codes on the Medium and Long-Term Strategic Skills List (MLTSSL) wherever possible. Most commonly, banks need to fit potential roles into the following 3-year occupation codes with Permanent Residency pathways where possible (1) Management Consultant (2) Internal auditors (3) Accountant (General).
 - The current skills and occupation list is not evolved enough to meet banks' needs. The list could be expanded to include additional roles a small example of which is provided here:
 - Cyber Engineers, Architects, Threat Analysts.
 - Quantitative Analysts / Risk Management Specialists.
 - Financial Management / Treasury / Specialist Finance Project Management.
 - Data Science & Insights Analysts.
 - Financial Market Operations Specialists.
 - Consider the effect of:



- Free Trade Agreement on visas and programs.
- Home Affairs restrictions on visa for workers/researchers.
- Careful consideration of onshoring-offshoring decisions will have on future national skills development and productivity.

Long-term opportunities and challenges for Australia's migration system

We see the provision of a strong pipeline of graduates to meet medium- and longer-term needs will require boosting domestic student numbers and retaining the international students that study in Australia through smoother pathways to residency.

We encourage leveraging international students as a source of talent.

- International students represent a significant un-tapped source of talent that we should be pursuing.
- According to the Tech Council around 50% of international students graduating with ICT qualification leave Australia upon graduation, in part due to visa conditions.