



## Media Statement

Thursday August 5<sup>th</sup>, 2010

# BSP “an industry leader”

BSP received notification from the Papua New Guinea Banks and Financial Institutions Workers Union (PNGBFIWU) on July 21st that the Industrial Registrar had approved a Secret Ballot on disputed matters of the 2007 Memorandum of Understanding. The Industrial Registrar’s approved Resolutions for the Secret Ballot were hand delivered to the Bank just before lunch on Tuesday August 3rd after voting had commenced.

The Industrial Registrar failed to provide any details regarding the secret ballot process (time, location, etc) to enable BSP to facilitate our staff’s participation and minimize banking service disruption for our customers.

BSP respects our union-member employees’ right to exercise their Industrial Relations’ Constitutional Rights but it also has a responsibility to ensure that BSP’s customers across the country are not affected by this process. Of the five (5) unresolved matters of the 2007 MOU, Housing Scheme, Housing Allowance, Redundancy, Redeployment & Retrenchment (RRR), Higher Duty Allowance (HDA) and Leave Fare Assistance the most contentious is a Housing Scheme.

The Union has stated that “we would consider all parked items in MOU resolved if the Housing Scheme was resolved...” The Housing Scheme proposed by the Union required that BSP form a housing committee and find the land, buy the land, fund the developer and provide a loan to staff to purchase the home. BSP maintains that becoming a real estate developer is not a core banking function and has argued that Housing is not an Industrial Issues. BSP’s position that Housing is not an industrial matter is confirmed by its exclusion from the Resolutions which form the basis for the Secret Ballot.

BSP is adamant that housing is a national issue that will only be solved when the National Government frees up affordable land for development. However, recognizing the difficulty our staffs have in securing affordable housing, BSP has committed to participate in a tripartite committee to investigate affordable housing options. Options formalized by such a committee could form the basis for a joint initiative for presentation to the National Government. To relieve the pressure on household budgets BSP provides a universal Housing Allowances to every employee, including security guards, regardless of job position or job grade. BSP is the only company in PNG to offer Housing Allowances to every employee.

Since 2007, the Bank has increased housing allowances for staff below managerial level by a minimum of 40% and, in some instances, the increase has been in excess of 100%. Before BSP undertakes any RRR exercise every effort is undertaken to source alternate employment opportunities for staff. If alternative employment is not found BSP’s RRR benefits matrix is based on “world class” standards of “one month for each year of service.”

In respect to Higher Duty Allowance, BSP allowances are “best practice” and match or exceed those paid by other financial institution. Whilst HDA is an important issue, it affects a very small number of BSP’s 2,600 employees. For the remaining allowance, Leave Fares, BSP provides assistance to both male and female officers based on point of recruitment. Assistance is also given to married female employees on merit who are the principal breadwinner and/or head of the family. Again, BSP’s Leave Fare Policy exceeds that of most organizations in PNG.

BSP has met with the Union on many occasions in an endeavour to resolve these outstanding matters. The Union has, however, continually refused to recognize the increased remuneration and benefits that have been provided to staff since 2007. The Secretary for Labour initiated an arbitration process on July 29th 2010 to resolve all outstanding matters. BSP and the Union agreed to participate in that process. Despite this agreement, the Union continued to proceed with a secret ballot on 3rd August 2010.

BSP remains committed to the arbitration process.

**ROBIN FLEMING**  
Deputy CEO/CRO

**JOHNSON KALO**  
Deputy CEO/CFO

BSP is Papua New Guinea’s largest bank, with 35 branches nationwide and an extensive ATM network. BSP is your home grown bank and is proudly working together to make a difference to Papua New Guinea and the Pacific