

# MEDIA RELEASE

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## Royal Commission: Now is the time to transform our industry for the better

The Responsible Investment Association Australasia (RIAA) has welcomed the final report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, saying it is a clarion call for the finance sector in Australia to reflect upon its purpose and do more to service and benefit the Australian community.

“The Royal Commission has revealed widespread incidences of illegal behaviour, misconduct and unethical practices across the financial services sector. These have devastated the lives of many Australians, and highlighted diverse failings of our sector”, said Simon O’Connor, CEO of RIAA.

“This is a watershed moment for the finance sector. The industry and entities involved must reflect and remedy these wrongs, and address the gaps spanning leadership, culture and systems. From this stronger base, we can transform our industry for the better and start to align capital markets with achieving a healthy and sustainable society, environment and economy for all Australians.

“From banks to super funds, financial advisers, and insurance companies, we must work collectively to restore the trust of Australians. By concerted placing consumer interest at the centre of the financial services sector, we can start on this path back to regaining people’s confidence.

“Acting in the best interests of clients means knowing our clients first, their financial needs, their life stage, goals and, importantly, their personal values. Only through this can we deliver on community expectations and ensure finance is acting in the best interests of clients, as was a core tenet of the terms of reference for this Royal Commission.”

Consumer research conducted by RIAA shows that 9 in 10 Australians expect their money to be managed with consideration of their personal values and ethics, alongside their financial interests. This includes consideration of the social and environmental impact of their investments, whether it be avoiding investments that contribute to human rights violations and animal cruelty, or supporting investments that deliver improved healthcare, education and renewable energy.

“Australians are concerned about fees and performance, but are also increasingly wanting to know how their investments and savings are working to improve the world they will retire into.

“With Commissioner Hayne’s final report, the real work must now start, to rebuild community trust in the finance industry, to improve the culture within the sector, and to truly deliver services and outcomes that Australians expect from finance.

“As we emerge from the Royal Commission, the finance industry is recognising the connectivity between contributing to a better society and environment, and achieving strong financial performance for Australians.

“Now, more than ever, the finance sector must commit to and deliver upon a responsible and ethical approach to finance.”

RIAA is the peak industry body representing responsible, ethical and impact investors across Australia and New Zealand. With over 240 members managing more than \$9 trillion in assets globally, RIAA is the largest and most active network of people and organisations engaged in responsible, ethical and impact investing across Australia and New Zealand.

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