

4 December 2009

ACTU



FSU
AUSTRALIA

Sally Herman
Group General Manager
Corporate Affairs and Sustainability
Westpac Banking Corporation
Westpac Place
275 Kent St
Sydney NSW 2000

Dear Ms Herman,

Re: FSU and ACTU resignation from the Westpac Group's Community Consultative Council.

We write to you to express our dismay and disappointment with the Westpac Group's decision to lift its interest rates in excess of the Reserve Bank's cash rate increase on Tuesday 1 December.

It is impossible to reconcile Westpac's decision with the strong view held by unions that the bank should give genuine consideration to the impact of interest rate rises on working Australians and their families.

This is a position we have consistently put to the bank and raised again with you in last Monday's meeting of the Westpac Community Consultative Council.

We were appalled by the bank's decision just 24 hours later to lift home loan interest rates by 45 basis points, 20 basis points above the Reserve Bank increase.

We have, for a long period of time, sought to work closely with Westpac through its corporate social responsibility program to make the bank's decision-making more responsive to community needs.

However, for the last two years, we have become increasingly concerned that the bank is more interested in using corporate social responsibility merely as a public relations exercise, paying scant regard to the real concerns of the community.

The fact that many senior members of Westpac's Executive Team were present in the room on Monday and would have been fully aware of the bank's intentions when the issue of financial hardship and interest rates was being discussed is even more galling.

It belies what we can only presume to be the disingenuous of the bank's commitment to the Council and more broadly, the Australian community.

It is also a personal affront to those who have advocated in your Consultative Council for a more sensitive approach towards working people in tough times.

We are also concerned about the impact that such decisions have on your employees, FSU members, who are left to deal with very angry customers, not to mention having to find extra money to pay their own mortgages.

We believe the decision is short-sighted as it will continue to undermine the bank's own strategy of localising decision makers. We already have reports of public launches being cancelled due to the customer and public backlash.

We have also repeatedly raised in the Council over many years the desire of Westpac employees to have a collective agreement that covers their terms and conditions. It appears that this matter was never addressed, with recent negotiations only commencing in the wake of changed industrial relations laws.

Further, we have consistently raised concerns about Westpac's practice of sacking Australian workers and sending their work offshore to third party suppliers. This practice is still occurring in the group.

Our concerns are such that the ACTU and the FSU cannot continue to participate on Westpac's Community Consultative Council.

Please accept this letter as notice of our resignations effective immediately.

Yours sincerely



Sharan Burrow
ACTU President

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